

SENATE BILL NO. 385

INTRODUCED BY VAUGHN, BURNETT, BLAYLOCK, FRITZ,
SQUIRES, MENAHAN, PECK, QUILICI, HOCKETT, GAGE,
BARDANOUVE, PETERSON, SIMPKINS
BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

IN THE SENATE

FEBRUARY 12, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
	FIRST READING.
FEBRUARY 18, 1993	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 19, 1993	PRINTING REPORT.
FEBRUARY 20, 1993	SECOND READING, DO PASS.
FEBRUARY 22, 1993	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 48; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 23, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
	FIRST READING.
MARCH 10, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 13, 1993	SECOND READING, CONCURRED IN.
MARCH 16, 1993	THIRD READING, CONCURRED IN. AYES, 92; NOES, 6.
MARCH 17, 1993	RETURNED TO SENATE.

IN THE SENATE

MARCH 18, 1993	RECEIVED FROM HOUSE.
	SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *Senate* BILL NO. *385*
 2 INTRODUCED BY *Vaughan* *Blaylock*
 3 BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD *Fitz*
 4 *Spencer* *Merrigan* *Rock* *Quilley* *Hockett*
 5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING AND
 6 RECODIFYING THE PUBLIC EMPLOYEES', THE JUDGES', THE HIGHWAY
 7 PATROL OFFICERS', THE SHERIFFS', THE GAME WARDENS', THE
 8 MUNICIPAL POLICE OFFICERS', AND THE FIREFIGHTERS' UNIFIED
 9 RETIREMENT SYSTEMS; AMENDING SECTIONS 19-7-502, 19-3-103,
 10 19-3-104, 19-3-105, 19-3-107, 19-3-201, 19-3-203, 19-3-204,
 11 19-3-301, 19-3-304, 19-3-305, 19-3-306, 19-3-401, 19-3-403,
 12 19-3-404, 19-3-405, 19-3-406, 19-3-501, 19-3-502, 19-3-503,
 13 19-3-504, 19-3-505, 19-3-508, 19-3-509, 19-3-510, 19-3-511,
 14 19-3-512, 19-3-513, 19-3-601, 19-3-602, 19-3-603, 19-3-604,
 15 19-3-605, 19-3-606, 19-3-701, 19-3-702, 19-3-703, 19-3-704,
 16 19-3-801, 19-3-802, 19-3-805, 19-3-901, 19-3-902, 19-3-903,
 17 19-3-904, 19-3-905, 19-3-906, 19-3-907, 19-3-1002,
 18 19-3-1005, 19-3-1006, 19-3-1007, 19-3-1008, 19-3-1101,
 19 19-3-1102, 19-3-1103, 19-3-1104, 19-3-1105, 19-3-1106,
 20 19-3-1109, 19-3-1110, 19-3-1111, 19-3-1201, 19-3-1202,
 21 19-3-1203, 19-3-1204, 19-3-1205, 19-3-1301, 19-3-1302,
 22 19-3-1304, 19-3-1305, 19-3-1401, 19-3-1402, 19-3-1403,
 23 19-5-101, 19-5-102, 19-5-103, 19-5-104, 19-5-301, 19-5-401,
 24 19-5-402, 19-5-403, 19-5-404, 19-5-501, 19-5-502, 19-5-503,
 25 19-5-601, 19-5-603, 19-5-604, 19-5-611, 19-5-612, 19-5-701,

1 19-6-101, 19-6-102, 19-6-301, 19-6-304, 19-6-305, 19-6-306,
 2 19-6-401, 19-6-402, 19-6-403, 19-6-404, 19-6-501, 19-6-502,
 3 19-6-503, 19-6-505, 19-6-601, 19-6-603, 19-6-604, 19-6-612,
 4 19-6-707, 19-6-709, 19-7-101, 19-7-102, 19-7-103, 19-7-301,
 5 19-7-302, 19-7-308, 19-7-309, 19-7-310, 19-7-311, 19-7-402,
 6 19-7-403, 19-7-404, 19-7-501, 19-7-502, 19-7-503, 19-7-504,
 7 19-7-601, 19-7-604, 19-7-612, 19-7-701, 19-7-708, 19-7-709,
 8 19-7-710, 19-8-101, 19-8-102, 19-8-301, 19-8-302, 19-8-304,
 9 19-8-306, 19-8-307, 19-8-501, 19-8-502, 19-8-504, 19-8-601,
 10 19-8-603, 19-8-604, 19-8-701, 19-8-703, 19-8-704, 19-8-712,
 11 19-8-801, 19-8-808, 19-8-809, 19-8-810, 19-8-816, 19-9-103,
 12 19-9-104, 19-9-105, 19-9-106, 19-9-107, 19-9-301, 19-9-401,
 13 19-9-403, 19-9-405, 19-9-503, 19-9-601, 19-9-702, 19-9-703,
 14 19-9-705, 19-9-706, 19-9-801, 19-9-804, 19-9-902, 19-9-903,
 15 19-9-904, 19-9-905, 19-9-911, 19-9-912, 19-9-1004,
 16 19-9-1007, 19-13-103, 19-13-104, 19-13-105, 19-13-107,
 17 19-13-108, 19-13-110, 19-13-201, 19-13-301, 19-13-302,
 18 19-13-403, 19-13-404, 19-13-503, 19-13-506, 19-13-601,
 19 19-13-604, 19-13-605, 19-13-607, 19-13-701, 19-13-704,
 20 19-13-802, 19-13-803, 19-13-804, 19-13-805, 19-13-902,
 21 19-13-903, 19-13-1006, 19-13-1007, 19-13-1009, 31-2-106, AND
 22 44-1-518, MCA; REPEALING SECTIONS 19-3-102, 19-3-307,
 23 19-3-506, 19-3-804, 19-3-1001, 19-3-1003, 19-3-1004,
 24 19-3-1107, 19-3-1108, 19-5-201, 19-5-202, 19-5-302,
 25 19-5-303, 19-5-304, 19-5-405, 19-5-406, 19-5-407, 19-5-408,

1 19-5-602, 19-5-702, 19-5-703, 19-5-704, 19-5-705, 19-5-706,
 2 19-6-103, 19-6-104, 19-6-201, 19-6-202, 19-6-203, 19-6-302,
 3 19-6-303, 19-6-405, 19-6-406, 19-6-407, 19-6-408, 19-6-409,
 4 19-6-506, 19-6-602, 19-6-611, 19-6-702, 19-6-703, 19-6-704,
 5 19-6-705, 19-6-706, 19-6-708, 19-7-104, 19-7-201, 19-7-202,
 6 19-7-303, 19-7-304, 19-7-306, 19-7-307, 19-7-401, 19-7-405,
 7 19-7-406, 19-7-407, 19-7-408, 19-7-409, 19-7-602, 19-7-611,
 8 19-7-702, 19-7-703, 19-7-704, 19-7-705, 19-7-706, 19-7-707,
 9 19-8-103, 19-8-104, 19-8-201, 19-8-202, 19-8-203, 19-8-303,
 10 19-8-305, 19-8-401, 19-8-402, 19-8-403, 19-8-404, 19-8-405,
 11 19-8-406, 19-8-503, 19-8-505, 19-8-702, 19-8-711, 19-8-802,
 12 19-8-803, 19-8-804, 19-8-805, 19-8-806, 19-8-807, 19-9-108,
 13 19-9-201, 19-9-202, 19-9-203, 19-9-303, 19-9-304, 19-9-305,
 14 19-9-402, 19-9-501, 19-9-502, 19-9-504, 19-9-505, 19-9-602,
 15 19-9-603, 19-9-604, 19-9-701, 19-9-707, 19-9-802, 19-9-901,
 16 19-9-1001, 19-9-1002, 19-9-1003, 19-9-1005, 19-9-1006,
 17 19-9-1008, 19-9-1011, 19-9-1012, 19-13-106, 19-13-109,
 18 19-13-202, 19-13-203, 19-13-204, 19-13-303, 19-13-304,
 19 19-13-305, 19-13-401, 19-13-402, 19-13-501, 19-13-502,
 20 19-13-504, 19-13-505, 19-13-602, 19-13-603, 19-13-608,
 21 19-13-609, 19-13-801, 19-13-901, 19-13-1001, 19-13-1002,
 22 19-13-1003, 19-13-1004, 19-13-1005, AND 19-13-1008, MCA; AND
 23 PROVIDING AN EFFECTIVE DATE."

24

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

1 NEW SECTION. Section 1. Short title. This chapter may
 2 be cited as "The Public Employees' Retirement Act".

3 NEW SECTION. Section 2. Applicability. This chapter
 4 applies to the provisions and administration of the
 5 retirement systems under chapters 3, 5 through 9, and 13 of
 6 this title.

7 **Section 3.** Section 19-3-104, MCA, is amended to read:

8 "19-3-104. Definitions. Unless the context requires
 9 otherwise, in for each of the retirement systems subject to
 10 this chapter, the following definitions apply:

11 (1) "Accumulated contributions" means the sum of all
 12 the regular and any additional contributions standing-to-the
 13 credit-of-a-member's-individual-account made by a member in
 14 a system, together with the regular interest thereon on the
 15 contributions.

16 (2) "Active member" means a member who is an employee
 17 of an employer and who is making the required contributions
 18 to the system based on the member's compensation paid by the
 19 employer.

20 (3) "Actuarial cost" means the amount determined by the
 21 board in a uniform and nondiscriminatory manner to represent
 22 the present value of the benefits to be derived from the
 23 additional service to be credited based on the most recent
 24 actuarial valuation for the system and the age, years until
 25 retirement, and current salary of the member.

1 ~~(2)~~(4) "Actuarial equivalent" means a benefit of equal
2 value when computed upon the basis of the 1971 Group Annuity
3 Mortality Table, with ages set back 4 years and an interest
4 rate of 8% compounded annually.

5 (5) "Actuarial liabilities" means the excess of the
6 present value of all benefits payable under a retirement
7 system over the present value of future normal costs in that
8 retirement system.

9 ~~(3)~~(6) "Actuary" means the actuary retained by the
10 board in accordance with 19-3-305.

11 ~~(4)~~(7) "Additional contributions" means contributions
12 made by members a member under the provisions of 19-3-702 to
13 purchase various types of optional service credit as allowed
14 by the applicable retirement system.

15 ~~(5)~~(8) "Annuity" means equal and fixed payments for
16 life derived from contributions made by a member as provided
17 in this chapter that are the actuarial equivalent of a
18 lump-sum payment under a retirement system and as such are
19 not benefits paid by a retirement system and are not subject
20 to periodic or one-time increases.

21 ~~(6)~~--"Beneficiary"--means--the--person---so---designated
22 pursuant to part 13 of this chapter.

23 ~~(7)~~(9) "Benefit" means the service or disability
24 retirement allowance, or survivorship allowance,--death
25 benefit,--or--refund--of--accumulated--contributions provided by

1 this chapter a system.

2 ~~(8)~~(10) "Board" means the public employees' retirement
3 board provided for in 2-15-1009.

4 ~~(9)~~--"Compensation"--means--remuneration--paid--out--of--funds
5 controlled--by--an--employer. The compensation of each member
6 of--the--legislature--of--Montana--for--any--year--shall--be
7 considered to be that portion of the product--of--the--daily
8 compensation--for such position multiplied by 360 upon which
9 such member elects to pay normal--contributions--during--the
10 year.

11 (11) "Contingent annuitant" means a person designated to
12 receive a continuing annuity after the death of a retired
13 member.

14 ~~(10)~~--"Contracting---employer"---means---any---political
15 subdivision--or--governmental entity which has contracted to
16 come into the system.

17 ~~(11)~~(12) "Creditable Credited service" or "service
18 credit" means the aggregate of membership service and prior
19 service periods of time for which the required contributions
20 have been made to a retirement system and that are used to
21 calculate service or disability retirement or survivorship
22 benefits under a retirement system.

23 (13) "Department" means the department of
24 administration.

25 (14) "Designated beneficiary" means the person

1 designated by a member to receive any survivorship benefits
 2 or lump-sum payments upon the death of the member, including
 3 annuities derived from the benefits or payments.

4 {12}{15} "Disability" and "incapacity-for-performance-of
 5 duty",--referred--to--herein--as--a--basis--of--retirement,--mean
 6 means a total inability of the member to perform the
 7 member's duties by reason of physical or mental incapacity.
 8 The disability must be incurred while the member is an
 9 active member and must be one of permanent duration or
 10 disability of extended and uncertain duration, as determined
 11 by the board on the basis of competent medical opinion.

12 {16} "Division" means the public employees' retirement
 13 division of the department of administration.

14 {13}{17} "Employee" means any a person who is employed
 15 by an employer in any capacity whatever and whose salary is
 16 paid either--by--warrant--of--by the employer or--from--the--fees
 17 or--income--of--any--department--or--agency--of--the--employer.
 18 "Employee"--means--further--any--person--considered--such--pursuant
 19 to--19-3-402.

20 {14}{18} "Employer" means the--state--of--Montana,--its
 21 university--system--or--any--of--the--colleges,--schools,
 22 components,--or--units--thereof--for--the--purposes--of--this
 23 chapter,--or--any--political--subdivision--or--governmental--entity
 24 which has contracted to come into the system a governmental
 25 entity participating in a retirement system enumerated in

1 [section 2] on behalf of its eligible employees.

2 {15} "Employer--contributions"--means--payments--to--the
 3 retirement--fund--from--appropriations--of--the--state--of--Montana
 4 pursuant--to--19-3-801--and--from--contracting--employers--pursuant
 5 to--the--contracts--between--them--and--the--board.

6 {16} "Final--compensation"--except--as--provided--in
 7 19-3-907,--means--a--member's--highest--average--annual
 8 compensation--during--any--3--consecutive--years--of--membership
 9 service,--lump-sum--payments--for--sick--leave--and--annual--leave
 10 paid--to--the--employee--upon--termination--of--employment--may--be
 11 used--in--the--calculation--of--a--retirement--allowance--only--to
 12 the--extent--that--they--are--used--to--replace,--on--a--month--for
 13 month--basis,--the--normal--compensation--for--a--month--or--months
 14 included--in--the--calculation--of--the--final--salary. A lump-sum
 15 payment may not be added to a single month's compensation.

16 {17}{19} "Fiscal year" means any year commencing with
 17 July 1 and ending the following June 30 next-following.

18 {18} "Head--of--department"--means--the--head--of--any
 19 department, institution, or--branch--of--the--state--service
 20 which--directly--pays--salaries--out--of--its--income--or--which
 21 prepares, approves, and submits salary statements--of--its
 22 employees--to--the--department--of--administration,--state
 23 auditor, and state treasurer for payment.

24 {20} "Inactive member" means a member who has terminated
 25 service with an employer and has not withdrawn the member's

1 accumulated contributions from the retirement system.

2 ~~(19)~~(21) "Member" means any person included--in--the
3 membership-of-the with accumulated contributions and service
4 credited with a retirement system set-forth-in-19-3-401-and
5 not-excluded-in-19-3-402, 19-3-403, or 19-3-406 or receiving
6 a retirement benefit on account of the person's previous
7 service credited in a retirement system.

8 ~~(20)~~(22) "Membership service" or "years of service"
9 means the periods of service with-respect-to-which-normal
10 contributions-and-employer-contributions-are-paid-A-member
11 of--the--legislature--of--Montana--shall--be--credited--with
12 membership--service--for-that-portion-of-each-year-for-which
13 he-pays-normal-contributions-pursuant-to-subsection--(9)--of
14 this--section that are used to determine eligibility for
15 retirement or other benefits.

16 ~~(21)~~"Normal contributions" means contributions required
17 from--members--under---this---chapter---and---any---optional
18 contributions--made--under--the--provisions--of-19-3-502-and
19 19-3-704.

20 (23) "Normal cost" or "future normal cost" means an
21 amount calculated under an actuarial cost method required to
22 fund accruing benefits for members of a retirement system
23 during any year in the future. Normal cost does not include
24 any portion of the supplemental costs of a system.

25 ~~(22)~~(24) "Pension" means payments for life derived from

1 contributions to a system made from the state--controlled
2 state- or employer-controlled funds or,--in--the-case-of
3 members-from-contracting-employers,--from-the-funds--of--such
4 contracting-employers,--as-provided-in-this-chapter.

5 ~~(23)~~"Prior--service"--means--all--service--rendered--as--an
6 employee-of-the-state-before-July-17-1945,--and--all--service
7 rendered--as--an--employee--of-a-contracting-employer-before
8 July-17-1947. Prior-service includes--all--service--rendered
9 prior--to--July--17--1945,--as--a--member-of-the-legislative
10 assembly-or-lieutenant-governor-of-Montana.

11 (25) "Pension trust fund" means a fund established to
12 hold the contributions, income, and assets of a retirement
13 system in public trust.

14 (26) "Regular contributions" means contributions
15 required from members under a retirement system.

16 ~~(24)~~(27) "Regular interest" means interest at the rate
17 set from time to time by the board.

18 ~~(25)~~(28) "Retirement" or "retired" means withdrawal the
19 status of a member who has terminated from active service
20 with a retirement allowance-granted-under-the-provisions--of
21 this-chapter benefit under a retirement system.

22 ~~(26)~~(29) "Retirement allowance benefit" means the
23 periodic benefit payable following service, early, or
24 disability retirement under a retirement system.

25 ~~(27)~~"Retirement--fund"--means--the--public--employees'

retirement-system-pension-trust-fund.

~~(28)~~(30) "Retirement system" means the-public-employees-
retirement-system-created-by-this-chapter one of the public
employee retirement systems enumerated in [section 2].

~~(29)~~(31) "Service" means employment of an employee
except--as--provided--in-19-3-501-and-19-3-502 in a position
covered by a retirement system.

(32) "Supplemental cost" means an element of the total
actuarial cost of a system arising from benefits payable for
service performed prior to the inception of the system or
prior to the date of contribution rate increases, changes in
actuarial assumptions, actuarial losses, or failure to fund
or otherwise recognize normal cost accruals or interest on
supplemental costs. These costs are included in the unfunded
actuarial liabilities of the retirement system.

~~(30)~~(33) "Survivorship allowance benefit" means payments
for life to the beneficiary of a deceased member as-provided
in-part-12-of-this-chapter who died while in service under a
retirement system.

(34) "Unfunded actuarial liabilities" or "unfunded
liabilities" means the excess of a retirement system's
actuarial liabilities at any given point in time over the
value of its cash and investments on that same date.

(35) "Vested member" or "vested" means a member or the
status of a member who has attained the minimum membership

service requirements to be eligible for retirement benefits
under a retirement system.

~~(31)~~(36) "Written application" means a written
instrument duly executed and filed with the board and
containing all information required by the board, including
such proofs of age as the board considers necessary."

Section 4. Section 19-3-301, MCA, is amended to read:

"19-3-301. Location of board -- quorum -- officers and
employees. (1) The board shall maintain its office in the
city of Helena.

(2) A quorum of the board ~~shall be~~ is three members.

(3) The board shall elect one of its members president
presiding officer. The board may appoint a committee of one
or more of its members ~~which shall have authority~~ to perform
routine acts, such as retirement of members and fixing of
retirement ~~allowances~~ benefits, approval of death claims,
and correction of records necessary in the administration of
the system ~~systems~~ in accordance with the provisions of this
chapter ~~chapters~~ 3, 5 through 9, 12, 13, and 15 of this
title and in accordance with the rules of the board. The
attorney general ~~shall be~~ is the legal counsel for the
board.

~~(4)--The department of administration shall appoint--and~~
~~fix--the--compensation--of--the--administrator--and--other~~
~~necessary employees--"~~

Section 5. Section 19-3-304, MCA, is amended to read:

"19-3-304. Powers and duties of board. (1) The board shall administer the provisions of the chapters enumerated in [section 2].

(2) The board may establish such rules as it deems considers proper for the administration and operation of the retirement system systems and enforcement of this-chapter, subject-to-its-limitation the chapters under which each retirement system is established.

(3) The board shall establish those uniform rules as are necessary to determine service credit for fractional years of service.

(4) The board shall determine who are employees within the meaning of this-chapter each retirement system. The board shall-be is the sole authority under-this-chapter as to the conditions under which persons may become members of and receive benefits under the retirement system systems.

(5) The board shall determine and may modify allowances for--service--and--disability--under-this-chapter retirement benefits under the retirement systems.

(6) All In matters of board discretion under the systems, the board shall treat all persons in similar circumstances shall--be--treated--like in a uniform and nondiscriminatory manner.

(7) The board shall maintain such records and

accounts it determines necessary for the administration of this-chapter the retirement systems.

(8) Upon the basis of the findings of the actuary pursuant to 19-3-305, the board shall adopt those actuarial tables and those rates of regular interest it determines appropriate to--comply--with--the-provisions-of--this-chapter for the administration of the retirement systems."

NEW SECTION. Section 6. Appointment and compensation of administrative staff. The department shall appoint and fix the compensation of an administrator and other necessary employees to assist the board in administering the retirement systems.

Section 7. Section 19-3-305, MCA, is amended to read:

"19-3-305. Employment of actuary -- biennial investigation and valuation. (1) The board shall retain-on a-full-time-basis, a competent actuary who is a an enrolled member of the American academy of actuaries and who is familiar with public systems of pensions. The actuary shall be is the technical advisor of the board on matters regarding the operation of the system retirement systems.

(2) Biennially-he-shall-make-an The board shall require the actuary to make a biennial actuarial investigation into the suitability of the actuarial tables used by the system retirement systems and an actuarial valuation of the assets and liabilities of the retirement system systems. From--time

1 to--time, he shall also determine the rate of interest being
2 earned on the retirement fund. He shall report his findings
3 to the board.

4 (3) The normal cost contribution rate, which is funded
5 by required employee contributions and a portion of the
6 required employer contributions to the retirement system,
7 must be calculated as that level percentage of members'
8 salaries that will actuarially fund benefits payable under a
9 retirement system as those benefits accrue in the future.

10 (4) The unfunded liability contribution rate, which is
11 entirely funded by a portion of the required employer
12 contributions to the retirement system, must be calculated
13 as that level percentage of members' salaries that will
14 amortize the unfunded actuarial liabilities of the
15 retirement system over a reasonable period of time, not to
16 exceed 30 years, as determined by the board.

17 (5) The board shall require the actuary to conduct a
18 periodic actuarial investigation into the actuarial
19 experience of the retirement systems."

20 **Section 8.** Section 19-5-611, MCA, is amended to read:

21 **"19-5-611. Determination of disability by board. (1)**

22 The board shall determine whether a member has become
23 disabled. In the discharge of its duty regarding such
24 determinations, the board, any member thereof of the board,
25 or any duly authorized representative of the board may order

1 medical examinations, conduct hearings, administer oaths and
2 affirmations, take depositions, certify to official acts,
3 and issue subpoenas to compel the attendance of witnesses
4 and the production of books, papers, correspondence,
5 memoranda, and other records considered necessary as
6 evidence in connection with a claim for disability
7 retirement. The board shall secure medical services and
8 advice necessary to carry out the purposes of this part and
9 shall pay compensation for those medical services and
10 advice.

11 (2) The board shall retain medical personnel to advise
12 it in assessing the nature and extent of disabling
13 conditions while reviewing claims for disability
14 retirement."

15 **Section 9.** Section 19-3-306, MCA, is amended to read:

16 **"19-3-306. Report by department of administration**
17 **division to governor.** As soon as practical after the close
18 of each fiscal year, the department of administration
19 division shall file with the governor a report of its work
20 for that fiscal year. The report shall must include a
21 statement as to the accumulated cash and securities in the
22 retirement fund pension trust funds as certified by the
23 state treasurer and the board of investments. The report
24 shall must also include the most recent unpublished report
25 of the actuary of the actuarial valuation of the assets and

1 liabilities of the each system."

2 **Section 10.** Section 19-3-805, MCA, is amended to read:

3 "19-3-805. **Administrative expenses.** (1) The legislature
4 finds that proper administration of the retirement--fund
5 pension trust funds benefits both employers and members and
6 continues to benefit members after retirement.

7 (2) ~~Effective July 1, 1986, the~~ The administrative
8 expenses of the retirement systems administered by the board
9 must be paid from the income investment earnings on the
10 retirement pension trust fund of the public employees'
11 retirement system, except as provided in subsection (3). ~~The~~
12 Before the fiscal yearend closing, the board shall compute
13 the administrative expenses attributable to each retirement
14 system administered by the board for the immediately
15 preceding fiscal year and transfer that amount from the each
16 retirement system's pension trust fund to the retirement
17 pension trust fund of the public employees' retirement
18 system.

19 (3) ~~In addition to the contributions elsewhere provided~~
20 ~~in this chapter, on~~ On January 1 of each year, each employer
21 under the public employees' retirement system shall
22 contribute on behalf of each member then in its employ
23 service a membership fee of \$1 in addition to other required
24 contributions. The appropriation of these fees, together
25 with other moneys money appropriated for that purpose, shall

1 must be used for the purpose of defraying the administrative
2 expense of chapters 3, 5 through 9, 13, and this chapter.

3 (4) Any request for an increase of in spending
4 authority for administrative expenses requires a budget
5 amendment and is subject to Title 17, chapter 7, part 4.

6 (5) The board may assess and the division may collect a
7 fee from the department of fish, wildlife, and parks for the
8 purpose of defraying the expenses of administering chapter 8
9 of this title."

10 **NEW SECTION. Section 11.** Pension trust funds
11 established. A pension trust fund is established and
12 maintained for each retirement system subject to this
13 chapter as enumerated in [section 2].

14 **NEW SECTION. Section 12.** Statutory appropriation of
15 payments from pension trust funds. Assets of the pension
16 trust funds are statutorily appropriated, as provided in
17 17-7-502, to the division for payment of benefits and
18 refunds to eligible recipients and for paying the necessary
19 administrative and investment expenses of the retirement
20 systems, subject to the specific provisions of chapters 3, 5
21 through 9, and 13 of this title.

22 **Section 13.** Section 19-3-601, MCA, is amended to read:

23 "19-3-601. **Management of fund pension trust funds.** The
24 retirement-fund-shall pension trust funds must be managed as
25 follows:

(1) The board is the trustee of all moneys money collected for the retirement system systems and has exclusive control of the administration of the fund pension trust funds except as otherwise provided by law.

(2) The department of-administration shall deposit in the state treasury all amounts received by it as provided in this chapter.

(3) The state treasurer is custodian of the retirement fund pension trust funds, subject to the exclusive control of the board ~~as-to-the~~ for administration thereof and the board of investments ~~as-to~~ for the investment thereof of the funds."

Section 14. Section 19-3-602, MCA, is amended to read:

"19-3-602. Investment of fund pension trust funds. (1) The fund pension trust funds of the retirement systems must be invested by the state board of investments as part of the unified investment program described in Title 17, chapter 6, part 2.

(2) All income earned on any assets constituting a part of the fund pension trust funds must be paid into the fund appropriate pension trust funds as received.

(3) The pension trust funds may be commingled for investment purposes, but separate accounts must be maintained for each system."

Section 15. Section 19-3-603, MCA, is amended to read:

"19-3-603. Restrictions on use of fund funds. (1) Except as herein provided in this section, no a member and no or an employee of the department of-administration or the board of investments may not:

(a) have any interest, direct or indirect, in the making of any investment or in the gains or profits accruing therefrom from the pension trust funds;

(b) directly or indirectly, for himself the member or employee or as an agent or partner of others, borrow any--of its from the pension trust funds or deposits;

(c) in any manner use the same pension trust funds except to make such current and necessary payments as that are authorized by the department division; or

(d) become an endorser or surety as to or in any manner an obligor for investments for the retirement-system pension trust funds.

(2) The assets of the retirement system systems may not be used for or diverted to any purpose other than for the exclusive benefit of the members and their beneficiaries and for paying the reasonable administrative expenses of the retirement systems administered by the board."

Section 16. Section 19-3-802, MCA, is amended to read:

"19-3-802. Payment of contributions by state-agencies employers -- accompanying reports -- penalty. (1) At a time prescribed by the rules of the board, each agency-of-the

1 state employer shall remit to the public---employees'
 2 retirement--system division all contributions required of
 3 each the employer and its employees under retirement systems
 4 subject to this chapter on the basis of covered compensation
 5 paid during the previous pay period,---including---any
 6 contributions--payable-with-respect-to-members-absent-in-the
 7 armed-forces-of-the-United-States.

8 (2) The board may collect payments delinquent under
 9 subsection (1) with an interest penalty at the rate of 9% a
 10 year or \$10 a day, whichever is greater,---from---the
 11 appropriation--account-of-the-reporting-agency-by-submission
 12 of-a-claim-to-the-state-treasurer. The board may, in its
 13 discretion, waive the interest penalty. The collection may
 14 be made by either:

15 (a) an action in a court of competent jurisdiction
 16 against the employer; or

17 (b) deductions, at the request of the board, from any
 18 other money payable to the employer by any agency or fund of
 19 the state.

20 (3) Employers shall submit reports of their covered
 21 payroll and contributions remitted as the board requires by
 22 rule.

23 (4) The chief administrative officer of each employer
 24 shall furnish monthly reports to the board showing any
 25 changes in status during the preceding month of the

1 employer's members resulting from transfer, promotion, leave
 2 of absence, resignation, reinstatement, dismissal, or death.
 3 The chief administrative officer shall furnish additional
 4 information concerning the members that the board may
 5 require in the administration of the retirement systems,
 6 including the services of the employer's office and
 7 departments that the board may request in connection with
 8 claims by members for benefits under the retirement
 9 systems."

10 **Section 17.** Section 19-3-605, MCA, is amended to read:

11 "19-3-605. Transfer between funds. Any pension trust
 12 fund out of which payments are made under the provisions of
 13 this chapter title may be reimbursed to the extent of such
 14 the payments by transfer of a sufficient sum for the
 15 reimbursement from another pension trust fund or funds under
 16 the control of the same--disbursing--officer division. The
 17 disbursing--officer division shall certify to the department
 18 of-administration the amounts to be thus transferred and the
 19 funds from and to which the transfer is to be made, and the
 20 department division shall thereupon make the transfer as
 21 directed in the certificate."

22 **Section 18.** Section 19-3-406, MCA, is amended to read:

23 "19-3-406. Termination of membership. If any-part-of a
 24 member's accumulated normal contributions is under a
 25 retirement system are refunded pursuant-to-19-3-703, he the

1 person ceases to be a member of that system, and all
 2 membership the person's service to-his-credit is canceled,
 3 and the person relinquishes claim to any benefits payable to
 4 members of the retirement system. Any-person-who-is-retired
 5 ceases-to-be-a-member."

6 **Section 19.** Section 19-3-703, MCA, is amended to read:

7 "19-3-703. Refund of member's contributions on
 8 termination of service. (1) Except as provided in this
 9 section, any member whose service has been discontinued, by
 10 other than by death or retirement, shall must be paid his
 11 the member's accumulated contributions at his the member's
 12 request.

13 (2) ~~Upon qualification-for-any-other-benefit-under-this~~
 14 ~~chapter,--a--member--having--any--accumulated--contributions~~
 15 ~~standing--to-his-credit-in-the-retirement-fund-shall-receive~~
 16 ~~the-benefit-based-upon-the-creditable-service--during--which~~
 17 ~~such--contributions--were--made~~ the written request of a
 18 terminating member, the division shall make a direct
 19 rollover distribution as allowed under Internal Revenue Code
 20 section 401(a)(31) of the eligible portion of a refund of
 21 the member's accumulated contributions. The direct rollover
 22 distribution must be paid directly to an eligible retirement
 23 plan allowed under applicable federal law. The terminating
 24 member shall designate the eligible retirement plan on forms
 25 provided by the division. Amounts of the member's

1 accumulated contributions that are not eligible for direct
 2 rollover distribution must be paid to the terminating
 3 member. The terminating member is responsible to correctly
 4 designate an eligible retirement plan to receive the direct
 5 rollover distribution.

6 (3) The board may, in its discretion, withhold, for not
 7 more than 1 year after a member last rendered service, all
 8 or part of his the member's accumulated contributions if
 9 after a previous discontinuance of service he the member
 10 withdrew all or part of his the member's contributions and
 11 failed to redeposit such the withdrawn amount in the
 12 retirement pension trust fund as-provided-in-19-3-704.

13 (4) An employer who has an employment-related claim
 14 against a terminating member may, within 30 days after the
 15 date of termination, submit to the board a written request,
 16 signed by the employer and the member, authorizing the
 17 payment of all or any part of the accumulated contributions
 18 of the member directly to the employer to satisfy the claim
 19 in whole or in part. The request, if timely submitted, is
 20 sufficient authority for the ~~department-of-administration~~
 21 division to make such the direct payment to the employer as
 22 part of the member's refund. The total of the payments made
 23 to the employer and those made to the member may not exceed
 24 the member's accumulated contributions.

25 (5) Prior to termination of service, a member may not

1 receive a refund of any portion of the member's accumulated
 2 contributions, except that a member who does not complete an
 3 installment payment schedule for purchasing service must be
 4 paid the member's additional contributions, including any
 5 regular interest earned on those additional contributions,
 6 upon the member's written request."

7 **Section 20.** Section 19-3-704, MCA, is amended to read:

8 "19-3-704. Reinstatement after withdrawal of
 9 contributions. (1) Except as otherwise provided in this
 10 section, any person who again becomes a member subsequent to
 11 the refund of his the person's accumulated ~~normal~~
 12 contributions after a termination of previous membership is
 13 considered a new member without credit for any previous
 14 membership service. He The person may reinstate that
 15 membership service by redepositing the sum of the
 16 accumulated ~~normal~~ contributions which that were refunded to
 17 him the person at the last termination of his the person's
 18 membership plus the interest which that would have been
 19 credited to his the person's account accumulated
 20 contributions had the refund not taken place. If he the
 21 person makes this redeposit, his--membership--shall--be--the
 22 same--as--if--unbroken--by--such--last--termination the service
 23 credits previously canceled must be reinstated.

24 (2) Regardless of whether this redeposit is made, the
 25 documents held by the retirement system as executed by the

1 ~~member prior to termination of membership shall~~ must be held
 2 by the system for the same purposes as prior to termination,
 3 and beneficiaries nominated in the documents ~~shall~~ continue
 4 unchanged until changed as provided herein in this section."

5 **NEW SECTION. Section 21.** Service credit. Subject to
 6 the provisions of chapters 3, 5 through 9, and 13 of this
 7 title, a member must receive 1 month of service credit for
 8 each full month of service under rules adopted by the board.
 9 Service credits must be used in calculating a retirement or
 10 survivorship benefit.

11 **NEW SECTION. Section 22.** Membership service. A member
 12 must receive membership service for all periods of service,
 13 regardless of hours worked or compensation received during
 14 that service. The service must be used to determine:

- 15 (1) whether a member is vested;
- 16 (2) when the member is eligible for early or normal
 17 service retirement or disability retirement; or
- 18 (3) the eligibility of beneficiaries for survivorship
 19 benefits.

20 **Section 23.** Section 19-3-508, MCA, is amended to read:

21 "19-3-508. No duplication of ~~allowance-when-there-is~~
 22 ~~more-than-one-period~~ benefits for same period of service.
 23 ~~There may not be any duplication of retirement allowances to~~
 24 ~~a--member--or-beneficiary-due-to-there-being-more-than-one~~ A
 25 period of service of the member may not be credited in more

1 than one retirement system enumerated in [section 2] for
 2 purposes of calculation of retirement allowances."

3 **Section 24.** Section 19-3-702, MCA, is amended to read:

4 "19-3-702. Additional contributions Purchasing service
 5 credits allowed. Subject to the rules promulgated by the
 6 board, any an eligible member may elect to contribute at
 7 rates-in-excess-of-those-provided-for-in-19-3-701 amounts in
 8 addition to the mandatory employee contributions required by
 9 the retirement system in which the member participates for
 10 the purpose of providing--additional--benefits--but--the
 11 exercise-of-this-privilege-by-a-member-shall--not--place--on
 12 the--state--or-contracting-employer-any-additional-financial
 13 obligation--The-board, upon application,--shall--furnish--to
 14 the--member--information-concerning-the-nature-and-amount-of
 15 additional---benefits---to---be---provided---by---additional
 16 contributions purchasing service credits as provided by the
 17 statutes governing the retirement system."

18 **Section 25.** Section 19-3-502, MCA, is amended to read:

19 "19-3-502. Absence in military service. (1) Any period
 20 of absence from compensated--employment--with--an--employer
 21 service for one of the following reasons, occurring either
 22 during a war involving the United States as a belligerent or
 23 during any other national emergency and 90 days thereafter
 24 after the service, is considered membership service only for
 25 the purpose of qualification for retirement and death

1 survivorship benefits but not for calculation of retirement
 2 benefits service credit:

3 (a) by reason of having been ordered on duty with the
 4 armed forces of the United States;

5 (b) by reason of voluntary service in said the armed
 6 forces or on ships operated by or for the United States
 7 government; or

8 (c) by reason of direct assignment to the department of
 9 defense for duties pursuant to the national defense efforts
 10 where a leave of absence has been granted by the employer.

11 (2) Any member so absent has-the-right-to as provided
 12 in subsection (1) may contribute to the retirement system,
 13 either during his the member's period of absence or upon his
 14 the member's return to service, at times and in the manner
 15 fixed by the board, amounts equal to the contributions which
 16 that would have been made by him the member to the system on
 17 the basis of his the member's compensation at the
 18 commencement of his the member's absence. If he the member
 19 does contribute, he--shall the member must receive service
 20 credit for-service for such the time in the same manner as
 21 if he the member had not been absent from service. Whenever
 22 a member elects to continue his the member's contributions,
 23 the employer shall thereupon contribute an amount equal to
 24 what its employer contributions would have been had the
 25 member not been absent from service.

(3) Any member so absent as provided in subsection (1) loses the right to contribute under this section if ~~all--of~~ his the member's accumulated ~~normal~~ contributions are refunded pursuant to 19-3-703."

Section 26. Section 19-3-1301, MCA, is amended to read:

"19-3-1301. Designation of beneficiary. The In the absence of any statutorily designated persons, the beneficiaries of a member shall--be-such are the natural persons, charitable organizations, or trusts for the benefit of natural living persons as that the member shall-designate in-the-appropriate-written--application designates on the membership card. A Unless otherwise provided by statute, a member may revoke such the designation and name different beneficiaries by filing written-notice a new membership card with the board."

Section 27. Section 19-3-1302, MCA, is amended to read:

"19-3-1302. Effect of no designation. (1) If no a living beneficiary, existing charitable organization, or natural living person who is the beneficiary of a trust is not designated, the estate of the member ~~shall--be~~ is the designated beneficiary. If the estate would not be probated but for the amount due from the retirement system, all of the amount due, including retirement ~~allowances~~ benefits accrued but not received prior to death, ~~shall must~~ be paid directly, without probate, to the surviving next of kin of

the deceased or the guardians of said the survivor's estate, share and share alike.

(2) Payment ~~shall must~~ be made in the same order in which the following groups are listed:

- (a) husband or wife;
- (b) children;
- (c) father and mother;
- (d) grandchildren;
- (e) brothers and sisters; or
- (f) nieces and nephews.

(3) No A payment ~~shall~~ may not be made to persons a person included in any of said the groups listed in subsection (2) if at the date of payment there be is a living persons person in any of the groups preceding it the group of which the person is a member, as listed. Payment ~~shall must~~ be made upon receipt from ~~said-persons~~ the person of an affidavit, upon a form supplied by the retirement board division, that there are no living individuals in the groups preceding it the group of which the person is a member and that the estate of the deceased will not be probated.

(4) The payment ~~shall must~~ be in full and complete discharge and acquittance of the board and system on account of said the member's death."

Section 28. Section 19-3-1304, MCA, is amended to read:

1 "19-3-1304. Payment to custodian of minor beneficiary.

2 (1) If any benefit from the a system is payable to a minor,
3 the benefit must be paid to one of the following:

4 (a) a surviving parent, if any;

5 (b) a parent awarded custody of the minor in a divorce
6 proceeding;

7 (c) a custodian designated under Title 72, chapter 26;

8 (d) a guardian appointed pursuant to Title 72, chapter
9 5, part 2; or

10 (e) a conservator appointed pursuant to Title 72,
11 chapter 5, part 4.

12 (2) The payment ~~shall~~ must be in full and complete
13 discharge and acquittance of the board and system on account
14 of said the benefit. The person shall account to the minor
15 for the money when the minor reaches the age of majority."

16 **Section 29.** Section 19-3-1305, MCA, is amended to read:

17 "19-3-1305. Limitations on payment of benefits if
18 beneficiary--causes to a person causing a member's death or
19 disability. {1} If a member's--beneficiary person is
20 convicted of knowingly, purposely, or intentionally causing
21 the a member's death or disability, the--beneficiary that
22 person is may not entitled--to receive benefits as the
23 member's-beneficiary, and, except as provided in--subsection
24 {2}, or payments from a retirement system and the benefits
25 must be payable as otherwise provided in 19-3-1302 statute.

1 {2}--in-lieu-of-the-payment-of-benefits-as--provided--in
2 subsection-{1}, the board may grant a survivorship allowance
3 in--the--amount--provided--for--in-19-3-1205-to-the-member's
4 surviving-next-of-kin-other-than-the-beneficiary-who--caused
5 the--member's--death--Determination-of-the-surviving-next-of
6 kin--must--be--made--according--to--the--order--provided--in
7 19-3-1302{2},"

8 **Section 30.** Section 19-3-1401, MCA, is amended to read:

9 "19-3-1401. Estimate of allowance benefit when
10 information incomplete. If it ~~shall be~~ is impracticable for
11 the board to determine from the records the length of
12 service, the compensation, or the age of any-members a
13 member or if any a member refuses or fails to give the board
14 a statement of his the member's state service, his
15 compensation, or his age, the board may estimate, for the
16 purposes of this chapter title, such the length of service,
17 compensation, or age."

18 **Section 31.** Section 19-3-1402, MCA, is amended to read:

19 "19-3-1402. Frequency of allowance benefit payments. A
20 retirement allowance benefit or survivorship allowance
21 benefit granted under the-provisions-of a retirement system
22 subject to this chapter shall must be payable in monthly
23 installments, except that the board, at-its-discretion, may
24 elect to convert payments of less--than at least \$20 per
25 month year to larger--periodic--payments--which--are--the

actuarial--equivalent--of--such--smaller--payments-but-which
occur-less-frequently--if-payments-of-at-least-\$28-per--year
are--not--so--payable--the--payment--may-be-commuted-into a
single sum of actuarial equivalent value. A smaller pro rata
amount may be paid for part of a month when the retirement
allowance benefit ends before the last day of the month."

Section 32. Section 19-3-1403, MCA, is amended to read:

"19-3-1403. Adjustment of errors in payments. (1) If
more or less than the correct amount of contribution
required by a retirement system subject to this chapter of-a
member, the state, or a contracting employer is or has been
paid, proper adjustment shall must be made in connection
with the subsequent payments or such the adjustments may be
made by direct cash payments between the member, state, or
contracting employer in connection with whom the error was
made and the board. Adjustments-to-correct-any-other-errors
in-payments-to-or-by-the-board--may--be--made--in--the--same
manner."

(2) If any fraudulent change or any inadvertent mistake
in records results in any member, survivor, or beneficiary
receiving more or less than entitled to, then on the
discovery of the error, the board shall correct the error
and adjust the payments to the member, survivor, or
beneficiary in an equitable manner."

Section 33. Section 19-7-103, MCA, is amended to read:

"19-7-103. Payments under workers' compensation. All
payments provided for in this chapter, except as otherwise
provided in 19-7-604, are in addition to any other benefits
now--or--hereafter provided for under the Workers'
Compensation Act of the state of Montana."

Section 34. Section 19-9-1004, MCA, is amended to read:

"19-9-1004. Board's---authority---to---refuse--to--make
payments Limitations on disability or survivorship benefits.
The If the board determines that a member's disability or
death is proximately caused by the gross negligence, willful
misconduct, or violation of the law by the member, the board
may revoke, refuse-to-grant, or suspend-a-member's annuity
for-disability-or-death-caused-by-wrongful-conduct--if--the
disability--causing--a--member--to--retire-or-the-death-of-a
member-is-directly-and-proximately-caused--by--the--member's
immoral--or--intemperate--conduct--or--gross-negligence--the
board-may-refuse-to-grant, revoke, or suspend--the--employer
annuity suspend, or refuse to grant benefits except an
annuity that is the actuarial equivalent of the member's
accumulated contributions with regular interest to the day
the benefit commences."

Section 35. Section 19-3-107, MCA, is amended to read:

"19-3-107. Maximum benefit limitation. No A monthly
benefit paid under the retirement system-provided-for-in
this-chapter systems may not exceed the annual limits on

benefits as specified in section 415 of the Internal Revenue Code of 1986 and adjusted annually by the commissioner of internal revenue ~~for-calendar-years-1988-and-thereafter.~~"

Section 36. Section 19-3-606, MCA, is amended to read:

"19-3-606. Vesting of retirement allowances benefits upon termination of system. Upon termination of the a retirement system, termination of employment of a substantial number of members which that would constitute a partial termination of the retirement system, or complete discontinuance of contributions to the that retirement system, the retirement allowance benefit accrued to each member directly affected by such the occurrence becomes fully vested and nonforfeitable to the extent funded."

Section 37. Section 19-3-604, MCA, is amended to read:

"19-3-604. Transfer of dormant, savings---account nonvested member-accumulated contributions. The board may, in its discretion, transfer the savings-account accumulated contributions of a nonvested member to the pension accumulation trust fund if-the-account-has-been--dormant of the system in which the member is participating if the member has not participated in the plan as an employee for a period of 10 years. No-right Rights of the member shall may not be jeopardized by such the transfer, and the savings account-shall accumulated contributions must be transferred to the member's name upon subsequent reentry-to-membership

return to service or subsequent application for refund."

Section 38. Section 19-3-105, MCA, is amended to read:

"19-3-105. Exemption from taxes and legal process. The right of a person to a-retirement-allowance-or any other benefit under-this-chapter or payment from the retirement systems and the money in the fund-created-under-this-chapter are pension trust funds is not:

(1) subject to execution, garnishment, attachment, or any other process;

(2) subject to state, county, or municipal taxes except for:

(a) a retirement-allowance benefit or annuity received in excess of \$3,600 or adjusted by an amount determined pursuant to 15-30-111(2)(c)(ii); or

(b) a refund paid-under-19-3-703 of a member's regular contributions picked up by an employer after June 30, 1985, as provided in 19-3-701, 19-5-402, 19-6-402, 19-7-403, 19-8-502, 19-9-601, or 19-13-601; or

(3) assignable except as in-this--chapter specifically provided in this chapter."

NEW SECTION. Section 39. Compensation limit. A retirement system subject to this chapter may not take into account compensation of a member in excess of the amount permitted in Internal Revenue Code section 401(a)(17).

NEW SECTION. Section 40. Use of forfeitures. A

retirement system subject to this chapter may not apply forfeitures of benefits to increase the benefits of any member in a manner not permitted in Internal Revenue Code section 401(a)(8).

NEW SECTION. Section 41. Required distributions. The benefits payable by the retirement systems subject to this chapter are subject to the requirements of section 401(a)(9) of the Internal Revenue Code as follows:

(1) Benefits must begin by April 1 of the calendar year following the plan year in which the member reaches 70 1/2 years of age or retires, whichever is later.

(2) The member's entire interest in the retirement system must be distributed over the life of the member or the lives of the member and a designated beneficiary, over a period not extending beyond the life expectancy of the member or the life expectancy of the member and designated beneficiary.

(3) When a member dies after distribution of benefits has begun, the remaining portion of the member's interest must be distributed at least as rapidly as under the method of distribution prior to the member's death.

(4) When a member dies before distribution of benefits has begun, the entire interest of the member must be distributed within 5 years of the member's death. The 5-year payment rule does not apply to any portion of the member's

interest that is payable to a designated beneficiary over the life or life expectancy of the beneficiary and that begins within 1 year after the date of the member's death. The 5-year payment rule does not apply to any portion of the member's interest that is payable to a surviving spouse, payable over the life or life expectancy of the spouse, and that begins no later than the date the member would have reached 70 1/2 years of age.

(5) The benefits payable must meet the minimum distribution incidental benefit requirements of section 401(a)(9)(G) of the Internal Revenue Code.

Section 42. Section 19-5-104, MCA, is amended to read:

"19-5-104. Penalty for fraud. ~~{1}~~-No A person shall who knowingly ~~make-any~~ makes a false statement or ~~shall--falsify~~ or ~~permit~~ who knowingly falsifies or permits to be falsified any record or ~~records-of-the~~ of a retirement system herein established in any ~~an~~ attempt to defraud such ~~the~~ system:

~~{2}~~--Any person--violating--any--of--the--provisions--of subsection--~~{1}~~--of--this--section--shall--be is guilty of a misdemeanor and upon conviction shall be sentenced to pay punishable by a fine not exceeding \$1,000 or suffer imprisonment not exceeding 1 year, or both, ~~in the~~ discretion of the court."

Section 43. Section 19-3-103, MCA, is amended to read:

"19-3-103. Retirement system created. A retirement

1 system is created and established to become effective July
2 1, 1945, and to be known as the public employees' retirement
3 system. The system is governed by the provisions of
4 [sections 1 through 42] and this chapter."

5 NEW SECTION. **Section 44.** Definitions. Unless the
6 context requires otherwise, as used in this chapter, the
7 following definitions apply:

8 (1) "Compensation" means remuneration paid out of funds
9 controlled by an employer. Compensation does not include the
10 payments or contributions made in lieu of wages for an
11 individual subject to 19-3-403(4)(a).

12 (2) "Contracting employer" means any political
13 subdivision or governmental entity that has contracted to
14 come into the system under this chapter.

15 (3) "Employer" means the state of Montana, its
16 university system or any of the colleges, schools,
17 components, or units of the university system for the
18 purposes of this chapter, or any contracting employer.

19 (4) "Employer contributions" means payments to the
20 pension trust fund pursuant to 19-3-801 from appropriations
21 of the state of Montana and from contracting employers.

22 (5) "Final average salary", except as provided in
23 19-3-907, means a member's highest average monthly
24 compensation during any 36 consecutive months of membership
25 service. Lump-sum payments for sick leave and annual leave

1 paid to the member upon termination of employment may be
2 used in the calculation of a retirement benefit only to the
3 extent that they are used to replace, on a month-for-month
4 basis, the regular compensation for a month or months
5 included in the calculation of the final average salary. A
6 lump-sum payment may not be added to a single month's
7 compensation.

8 **Section 45.** Section 19-3-201, MCA, is amended to read:

9 "19-3-201. Contracts with political subdivisions. (1)
10 Any municipal corporation, county, or public agency in the
11 state may become a contracting employer and make all or
12 specified groups of its employees members of the retirement
13 system by a contract entered into between the board and the
14 legislative body of said the contracting employer,--~~subject~~
15 ~~to--the-provisions-of-this-chapter.~~ The contract may include
16 any provisions which that are consistent with [sections 1
17 through 42] and this chapter and necessary in the
18 administration of the retirement system as it affects the
19 contracting employer and its employees.

20 (2) The approval of the contract ~~shall be~~ is subject to
21 the following provisions, in addition to the other
22 provisions of this chapter:

23 (a) The legislative body of the contracting employer
24 shall adopt a resolution giving notice of intention to
25 approve the contract and containing a summary of the major

1 provisions of the retirement system. The contract ~~shall~~ may
 2 not be approved unless the employees proposed to be included
 3 in the retirement system adopt the proposal by a majority
 4 affirmative vote in a secret ballot. The ballot at such the
 5 election ~~shall~~ must include the summary of the retirement
 6 system as set forth in the resolution. The election ~~shall~~
 7 must be conducted as prescribed by the legislative body of
 8 the contracting employer. Approval of the contract ~~shall~~
 9 must be by ordinance adopted by the affirmative vote of
 10 two-thirds of the members of the legislative body, not less
 11 than 20 days after the adoption of the resolution or by an
 12 ordinance adopted by a majority vote of the electorate of
 13 the contracting employer voting thereon on the contract.

14 (b) The contract ~~shall~~ must specify that all employees
 15 of the contracting employer or such groups of employees as
 16 agreed to between the board and the contracting employer
 17 ~~shall~~ must become members. The groups of employees to be
 18 included ~~shall~~ must be by departments, duties, age, or other
 19 similar classifications and not by individual employees. The
 20 board ~~shall--have--the--right---to~~ may disapprove any
 21 classification into groups if, in its opinion, ~~said the~~
 22 classification affects adversely the interest of the
 23 retirement system. Membership in the retirement system ~~shall~~
 24 be is compulsory for all employees included under the
 25 contract and who are hired after the effective date of the

1 contract.

2 (c) The contract may be amended in the manner
 3 prescribed in this section for the original approval of
 4 contracts. Groups of excluded employees may be subsequently
 5 included by amendment.

6 (3) The termination of the contract ~~shall--be~~ is subject
 7 to the following provisions, in addition to the other
 8 provisions of this chapter:

9 (a) The legislative body of a contracting employer
 10 shall adopt a resolution giving notice to its employees that
 11 it intends to terminate retirement coverage.

12 (b) All employees covered under the retirement system
 13 shall receive notice of the termination resolution and be
 14 permitted to vote for or against the resolution by secret
 15 ballot.

16 (c) If a majority of covered employees votes for
 17 termination, the legislative body, not less than 20 days
 18 after the approval of the resolution by the employees, may
 19 adopt by a 2/3 majority a resolution terminating PERS
 20 coverage under the system effective the last day of that
 21 month and forward the resolution and a certified copy of the
 22 election results to the board.

23 (d) Upon receipt of the termination resolution, the
 24 board may request an actuarial valuation of the liabilities
 25 of the terminating agency to the retirement system, and the

board may withhold approval of the termination of contract until satisfactory arrangements are made to provide funding for any excess accrued liabilities not previously funded by the terminating agency."

Section 46. Section 19-3-203, MCA, is amended to read:

"19-3-203. Conversion of local or state retirement plan. (1) Should if the legislative body of any city, county, or public agency having an existing retirement, pension, or annuity fund or system, hereafter referred to as the local system, desire desires to make the members of the local system members of the public employees' retirement system, it may enter into a contract for that purpose with the board in the manner provided in 19-3-201. However, the employees voting as provided in 19-3-201(2)(a) shall be limited to active members of the local system, and approval shall require an affirmative vote of two-thirds of such the employees.

(2) All active members of the local system shall become members of the retirement system and shall no longer be members of the local system. The pensions being paid to pensioners or annuitants of the local system on the effective date of the contract shall must be continued and paid at their existing rates by the public employees' retirement system. The liability for such the pensions shall must be computed by the actuary and charged to the

contracting employer. All cash and securities held by the local system shall must be transferred to the retirement system as of the effective date of the contract and credited to the employer. The value of said the securities shall must be determined by the board.

(3) The trustees or other administrative head of the local system as of the effective date of the contract shall certify the proportion, if any, of the funds of the system that represents the accumulated contributions of the active members and the relative shares of the members as of that date. Such The shares shall must be charged to the employer and credited to--the--respective--individual--accounts as accumulated contributions of such the members in the public employees' retirement system and administered as if said the contributions had been made during membership in the retirement system. Any excess of employer credits over charges under this section will must be offset, with regular interest, against future required employer contributions. Any excess of employer charges over credits under this section shall must be payable by the contracting employer, with regular interest, on a monthly basis as specified in the contract."

Section 47. Section 19-3-204, MCA, is amended to read:

"19-3-204. Tax levy to meet employer's obligations. (1)

If the required contributions to the retirement system

exceed the funds available to a contracting employer from general revenue sources, the contracting employer may budget, levy, and collect annually a special tax upon the assessable property of the contracting employer in the number of cents per \$100 of assessable property as is sufficient to raise the amount estimated by the legislative body to be required to provide sufficient revenue to meet the obligation of the contracting employer to the retirement system. The rate of taxation may be in addition to the annual rate of taxation allowed by law to be levied by the contracting employer.

(2) A person who is a member or designated beneficiary of the retirement system ~~on--account~~ because of the participation of the contracting employer ~~has-the-right-to~~ may maintain the appropriate action or proceeding to require the contracting employer to budget, levy, and collect the special tax authorized in subsection (1)."

NEW SECTION. Section 48. Eligible employees. Subject to [section 50], 19-3-403, and 19-3-402, eligible employees under the system who are not covered by a separate retirement system under this title include the following:

(1) any employee of the state of Montana, its university system or any of the colleges, schools, components, or units of the university system; and

(2) any employee of a contracting employer eligible to

participate under the contract between the board and the contracting employer under 19-3-201.

Section 49. Section 19-3-401, MCA, is amended to read:

"19-3-401. Membership -- inactive vested members -- inactive nonvested members. (1) ~~All~~ Except as otherwise provided in this chapter, all eligible employees shall become members on the first day of covered employment. Each eligible employee shall file with the board such information affecting his the employee's status as a member of the retirement system as the board may require.

(2) ~~(a)~~ A member with at least 5 years of creditable membership service who terminates covered-employment service and does not take a refund of his the member's accumulated contributions is an inactive vested member and retains the right to purchase service and to receive a service retirement benefit subject to the provisions of ~~part--5--of~~ this chapter.

~~(b)--Upon--reaching--retirement--age,--a--member--becomes eligible--to--receive--a--retirement--allowance--under--the provisions-of-19-3-901-or-19-3-902-~~

(3) A member with less than 5 years of creditable membership service who terminates covered-employment service and leaves his the member's accumulated contributions on deposit in the pension trust fund is an inactive nonvested member and is not eligible for any benefits other-than from

1 the retirement system. An inactive nonvested member is
 2 eligible only for a refund of his the member's accumulated
 3 contributions.

4 (4) Every employee who reenters service shall become a
 5 member unless he the employee has had an original election
 6 of exemption from membership and his the employee's service
 7 was not interrupted by a break of more than 1 month. A
 8 seasonal employee who has had an original election of
 9 exemption from membership ~~will~~ is not be subject to the
 10 requirement regarding the break in service while continuing
 11 in his the employee's original employment and employed on a
 12 seasonal basis, but upon termination of employment to accept
 13 new employment or absence of more than 1 month in returning
 14 to original employment in any ensuing season, such--a the
 15 seasonal employee shall become a member of the retirement
 16 system upon reentry.

17 (5) Time during which an employee of a school district
 18 is absent from service during official vacation ~~shall be~~ is
 19 counted as service in determining eligibility for membership
 20 under this chapter."

21 NEW SECTION. Section 50. Optional membership. The
 22 following employees in covered employment may become members
 23 of the retirement system at their option at any time during
 24 their employment in a covered position by filing a
 25 membership card with the board:

1 (1) elected officials of the state or local governments
 2 who are paid on a salary or wage basis rather than on a per
 3 diem or other reimbursement basis;

4 (2) part-time employees serving in employment that does
 5 not exceed the equivalent of 120 working days in any fiscal
 6 year;

7 (3) employees directly appointed by the governor;

8 (4) employees working 6 months or less for the
 9 legislative branch to perform work related to the
 10 legislative session;

11 (5) the chief administrative officer of any city or
 12 county;

13 (6) employees of county hospitals or rest homes in the
 14 sixth- and seventh-class counties.

15 **Section 51.** Section 19-3-403, MCA, is amended to read:

16 "19-3-403. Exclusions from membership. The following
 17 persons may not become members of the retirement system:

18 ~~(1) elective officers who have not filed with the board~~
 19 ~~written requests to become members, except that a person so~~
 20 ~~excluded from membership may later become a member by~~
 21 ~~otherwise becoming an employee or by written request after a~~
 22 ~~subsequent election to office, and if he affirmatively~~
 23 ~~exercises the option, the contributions of the employer~~
 24 ~~because of his membership shall be the same as they would~~
 25 ~~have been had he not been so excluded;~~

1 (2)(1) inmates of state institutions who are allowed
 2 compensation for such service as they are able to perform;
 3 (3)(2) persons in state institutions principally for
 4 the purpose of training, but who receive compensation;
 5 (4)(3) independent contractors, unless there is a
 6 written contract which that specifies the creation of an
 7 employer-employee relationship for purposes of retirement
 8 coverage under The Public Employees' Retirement System Act
 9 the retirement system;
 10 (5) --employees--serving--in--employment--which--does--not
 11 exceed--the--equivalent--of--120--working--days--in--any--fiscal--year
 12 who--have--not--filed--with--the--board--a--written--request--to
 13 become--members. A member so excluded from membership by this
 14 subsection--may--later--become--a--member--by--otherwise--becoming
 15 an--employee--or--by--written--request--after--the--initial--date--of
 16 exclusion. If he affirmatively exercises the option and pays
 17 the--employee--contribution--plus--interest, the contributions
 18 of the employer, because of his membership, shall be the
 19 same--as--they--would--have--been--had--he--not--been--so--excluded
 20 plus accrued interest on all employer contributions from the
 21 date the contributions would have been made to the date of
 22 payment;
 23 (6) --employees--in--service--on--July--17--1945--or--prior
 24 thereto who filed with the board elections not to become
 25 members, except that a person so excluded from membership

1 may become a member and be eligible thereafter to receive
 2 the--same--benefits--that--he--would--have--received--if--he--had
 3 never filed an election not to be a member by meeting the
 4 requirements prescribed in 19-3-505 and 19-3-506;
 5 (7) --persons--directly--appointed--by--the--governor--who--do
 6 not file with the board an election in writing to become
 7 members;
 8 (8)(4) persons who are members of any other retirement
 9 or pension system supported wholly or in part by funds of
 10 the United States government, any state government, or
 11 political subdivision thereof of the state and who are
 12 receiving credit in the other system for service, it being
 13 It is the purpose of this subsection to prevent a person
 14 from receiving credit for the same service in two retirement
 15 systems supported wholly or in part by public funds, except
 16 when the service qualifies, is applied for, and purchased
 17 pursuant to 19-3-503. A member of the retirement system who,
 18 because of his employment by the state, is required to
 19 become a member of any other system described in this
 20 subsection shall be is considered, solely for the purposes
 21 of making normal regular contributions, as permanently
 22 separated from service. Exclusion under this subsection is
 23 subject to the following exceptions:
 24 (a) When an employer has entered into a collective
 25 bargaining agreement which that includes provisions for

1 payments or contributions by the employer in lieu of wages
 2 to a retirement or pension plan qualified by the internal
 3 revenue service for its employees, the employees remain
 4 eligible, if otherwise qualified, for membership in the
 5 retirement system, and the payments or contributions in lieu
 6 of wages may not be considered a part of the employees' ¹
 7 compensation for purposes of computing the employer or
 8 employee contributions to the retirement system.

9 (b) For the purpose of this subsection ~~(8)(4)~~, persons
 10 receiving pensions, retirement allowances, or other payments
 11 from any source on account of employment other than as an
 12 employee as defined in this chapter are not considered,
 13 because of such receipt, members of any other retirement or
 14 pension system.

15 ~~(9)(5)~~ court commissioners, elected officials, or
 16 appointive members of any board or commission who serve the
 17 state or any contracting employer intermittently and who are
 18 paid on a per diem basis;

19 ~~(10)~~ persons who become employees after they have
 20 reached their 60th birthday and have no creditable service
 21 in this system and who do not file with the board an
 22 election to become members;

23 ~~(11)~~ employees of county hospitals or county rest homes
 24 in the sixth and seventh class counties, unless they elect
 25 to file with the board an election in writing to become

1 members;

2 ~~(12)~~ persons employed for 6 months or less by the
 3 legislature or the legislative council to perform work
 4 related to the legislative session who do not file with the
 5 board an election in writing to become members;

6 ~~(13)~~ (6) full-time students employed at and attending
 7 the same public elementary school, high school,
 8 vocational-technical center, or community college or any
 9 unit of the state university system, except that a person so
 10 excluded from membership as a student of a public community
 11 college or a unit of the state university system who later
 12 becomes a member by otherwise becoming an employee may
 13 affirmatively exercise the option of qualifying the service
 14 excluded by this subsection by applying to the board in
 15 writing after becoming a member and become eligible to
 16 receive credit credited service for the excluded service
 17 under the provisions of 19-3-505;

18 ~~(14)~~ the chief administrative officer of any city or
 19 county where the chief administrative officer has filed an
 20 election in writing with the board to be excluded from
 21 membership; this election to be filed no later than July 1,
 22 1979, or 30 days after initial employment by a county or
 23 city, whichever is later;

24 **Section 52.** Section 19-3-701, MCA, is amended to read:

25 "19-3-701. Member's contribution to be deducted. (1) On

and before--June--30--1989, after July 1, 1993, the normal regular contribution of each member is 6%--of--his compensation.---The---normal---contribution---of---each---member increases to:

- (a)--6.15%--of--his--compensation--on--July--1--1989;
- (b)--6.30%--of--his--compensation--on--July--1--1990;
- (c)--6.417%--of--his--compensation--on--July--1--1991;
- (d)--6.55%--of--his--compensation--on--July--1--1992; and
- (e) 6.70% of his the member's compensation on--July--1, 1993.

(2) Payment of salaries or wages less the contribution shall be is full and complete discharge and acquittance of all claims and demands whatsoever for the service rendered by members during the period covered by the payment, except their claims to the benefits to which they may be entitled under the provisions of this chapter.

(3) 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 that would be payable by the member under subsection (1) for service rendered after June 30, 1985.

(4) The member's contributions picked up by the employer must be designated for all purposes of the retirement system as the member's contributions, except for

the determination of a tax upon a distribution from the retirement system. These contributions must become part of the member's accumulated contributions but must be accounted for separately from those previously accumulated.

(5) The member's contributions picked up by the employer must be payable from the same source as is used to pay compensation to the member and must be included in the member's wages, as defined in 19-1-102, and his compensation as defined in 19-3-104. The employer shall deduct from the member's compensation an amount equal to the amount of the member's contributions picked up by the employer and remit the total of the contributions to the board."

Section 53. Section 19-3-801, MCA, is amended to read:

"19-3-801. Employer contribution rates ----actuarial determination. (1) Each employer shall contribute to the cost of benefits under the system. The On and after July 1, 1993, the amount of the employer contributions shall be computed by applying to member's compensation the sum of the current service contribution rate and the unfunded liability contribution rate. The sum of these rates is 6.417% from July 1, 1983, to June 30, 1992. The sum of the rates increases to 6.55% on July 1, 1992, and to is 6.70% on July 1, 1993 of each employer's covered payroll.

(2) The actuary shall determine the current service contribution rate to be that level percentage of the present

value-of-the-future-compensation-of-the-average--new--member entering--the--system-which-equals-the-then-present-value-of the-excess-of-all-prospective-benefits-in--respect--of--such member-over-the-member's-own-normal-contributions:

(3)--The--actuary--shall--determine-the-minimum-unfunded liability-contribution-rate-to-be-that-level--percentage--of the--present--value--of--the-prospective-compensation-of-all members-for-the-40-year-period-following--the--date--of--the determination--which--is--equal-to-the-unfunded-liability-on that-date--The-unfunded-liability-at-any-time-is-the--excess of--the--present--value--of--all--future-benefits-payable-in respect-of-all-persons-then-entitled-to-benefits--under--the system--over--the-sum-of-the-retirement-fund-and-the-present values-of--the--future--current--service--contributions--and normal--contributions---payable--in--respect--of--all--such persons."

Section 54. Section 19-3-405, MCA, is amended to read:

"19-3-405. Refund of employer contribution made after termination. Employer contributions on the basis of compensation earned by members after the effective date of termination of membership because of membership in another system, as provided in 19-3-403(4), shall must be repaid to the employer."

Section 55. Section 19-3-501, MCA, is amended to read:

"19-3-501. Absence not included in time-of service.

Except as otherwise provided in 19-3-502,--19-3-503,--and 19-3-504 this part, time during which a member is absent from compensated-employment-with--an--employer--may--not--be allowed--in--computing service may not be included in the calculation of service credit."

Section 56. Section 19-3-503, MCA, is amended to read:

"19-3-503. Election to qualify military service for full-credit. (1) (a) A member with 10 years or more of state service qualified--under--this--chapter credits may, at any time prior to retirement, make a written election with the board to qualify purchase service credits for all or any portion of his the member's active service in the armed forces of the United States, including the first special service force or the American merchant marine in oceangoing service during the period of armed conflict, December 7, 1941, to August 15, 1945, for--the--purpose--of--calculating retirement--benefits, up to a maximum of 5 years, if he the member is not otherwise eligible to receive service credit for this same service pursuant to 19-3-502.

(b) To qualify this service he must, the member shall contribute to the retirement pension trust fund the amount determined by the board to be due based on his the member's compensation and normal regular contribution rate as of his the member's 11th year and as many succeeding years as are required to qualify this service, with regular interest from

1 the date he the member becomes eligible for this benefit to
 2 the date he the member contributes. He The member may not
 3 qualify purchase more of this service credit than he the
 4 member has state service credits in excess of 10 years.

5 (2) If a member has retired from active duty in the
 6 armed forces of the United States, including the first
 7 special service force or the American merchant marine in
 8 oceangoing service during the period of armed conflict,
 9 December 7, 1941, to August 15, 1945, with a normal military
 10 service retirement benefit, he the member may not qualify
 11 his the member's military service under subsection (1) of
 12 this-section. However, a member who is serving or has served
 13 in the military reserves with the expectation of receiving a
 14 military service pension may qualify his the member's active
 15 military service under subsection (1) of ~~this-section~~ if his
 16 the member's active duty in the armed forces of the United
 17 States, including the first special service force or the
 18 American merchant marine in oceangoing service during the
 19 armed conflict, December 7, 1941, to August 15, 1945, is not
 20 more than 25% of the total sum of all years of military
 21 service including reserve and active duty time."

22 **Section 57.** Section 19-3-504, MCA, is amended to read:

23 "19-3-504. Absence due to illness or injury. (1) Time,
 24 not to exceed 5 years, during which a member is absent from
 25 service by reason of injury or illness determined within 1

1 year after the end of such the absence as arising out of and
 2 in the course of his the member's employment ~~shall--be~~ is
 3 considered as-spent-in membership service for-the-purpose-of
 4 qualification--for--service--retirement-benefits-under-Title
 5 19--chapter-37--part--9--or--survivorship--allowances--under
 6 Title-19--chapter-37--part-12--but-not-for-the-calculation-of
 7 such--benefits. However, the member may not earn service
 8 credits for this period unless the member complies with
 9 subsections (2) through (4) of-this-section, in which case
 10 the absence ~~shall-be~~ is considered as time spent in service
 11 for both the--calculation--and--qualification--of-benefits
 12 service credits and membership credits.

13 (2) (a) Any member absent because of an
 14 employment-related injury which that entitles him the member
 15 to workers' compensation payments may contribute to the
 16 retirement system, upon his the member's return to service,
 17 an amount equal to the contributions which that would have
 18 been made by him the member to the system on the basis of
 19 his the member's compensation at the commencement of his the
 20 member's absence plus regular interest accruing from 1 year
 21 from the date after he the member returns to covered
 22 employment service to the date he the member contributes for
 23 his the period of absence.

24 (b) Whenever a member elects to contribute under
 25 subsection (2)(a), the employer shall contribute an amount

equal to what its employer contributions would have been had the member not been absent from service. In addition, the employer may contribute an amount equal to the interest accruing on the employer's contribution calculated in the same manner as interest on the employee's contribution under subsection (2)(a). An employer electing to make a contribution shall do so for all employees similarly situated. If the employer elects not to pay the interest costs, this amount must be paid by the employee.

(3) At some time after returning to covered employment service, a member must shall file with the board a written notice of his the member's intent to pay the contributions under subsection (2).

(4) Payment of the employee's contributions which that are due because of the period of absence may be made in one sum at the time of filing the notice or on an installment basis before termination of covered employment service.

(5) A member ~~so--absent~~ loses his the right to contribute for an absence under this section if all of his the member's accumulated ~~normal~~ contributions are refunded pursuant to 19-3-703."

Section 58. Section 19-3-505, MCA, is amended to read:

"19-3-505. Qualification of service previous employment with employer. (1) Subject to the provisions of this section, any person who has service employment with an

employer which that is not creditable service may convert all or a portion of such the service employment to membership service by filing written notice thereof with the board.

(2) (a) The person must shall pay to the retirement system the sum of the amount which ~~he~~ that the person and his the person's employer would have contributed during the period of service so converted if the employer had then been an employer covered by the retirement system and the regular interest which that would have accumulated thereon on the amount to the time of such payment; ~~provided that.~~ However, the employer may pay the employer's portion, including accrued regular interest as provided in subsection (2)(b).

(b) The employer must shall establish a policy as to the payment of retroactive employer contributions and apply this policy indiscriminately for all employees and former employees. All employee appeals of discrimination ~~will--be~~ are subject to the determination of the board. All successful appeals ~~will~~ obligate the employer to pay the employer and employee contributions with accrued interest for that employee filing such the appeal with the board. Each appeal ~~will~~ must be heard on its individual merits and ~~will~~ may not bind the employer to pay all retroactive payments for all former and present employees.

(3) A member may secure service credit not previously

1 credited by submitting salary information certified by the
2 member's employer or former employer to the board. The board
3 ~~will~~ shall determine the eligibility of all service credit
4 requests ~~as-prescribed-in-19-3-304.~~

5 (4) Payment may be made in one sum at the time of
6 filing notice or by making additional contributions on an
7 installment basis before ~~termination-of--covered--employment~~
8 retirement. Failure to make regular monthly payments in any
9 month where in which the member receives his normal
10 compensation ~~shall--thereafter--forfeit--such~~ forfeits the
11 person's right to make any further installment payments,
12 unless permission is granted ~~to-do-so~~ by the board."

13 **Section 59.** Section 19-3-509, MCA, is amended to read:

14 "19-3-509. Qualification of other Montana public
15 service from--other--Montana--public--retirement---systems.

16 (1) (a) A member may, at any time before his retirement,
17 make a written election with the board to qualify as service
18 in this retirement system all or any portion of his
19 creditable the member's service credit in the highway patrol
20 officers', sheriffs', game wardens', firefighters' unified,
21 or municipal police officers' retirement system for which he
22 the member has received a refund of his membership
23 contributions. To qualify this service, he the member must
24 shall contribute to the retirement pension trust fund the
25 actuarial cost of granting the service in the public

1 employees' retirement system, as determined by the board,
2 based on ~~his-compensation-earned-as-a-member-of-the-former~~
3 ~~system-and-the-normal-contribution--rate--according--to~~ the
4 most recent actuarial valuation minus the employer
5 contribution provided in subsection (1)(b). This service may
6 not be credited in more than one retirement system under
7 Title 19.

8 (b) Upon receiving the member's payment under
9 subsection (1)(a), the administrator division shall transfer
10 from the member's former retirement system to the public
11 employees' retirement system an amount equal to the employer
12 contributions made during the member's service but no more
13 than an amount equal to the normal cost contribution rate
14 minus the employee contribution rate in the public
15 employees' retirement system, according to the most recent
16 actuarial valuation, based on the salaries earned by the
17 employee as a member of the former system.

18 (2) (a) A member may, at any time before his
19 retirement, make a written election with the board to
20 qualify any full-time public service employment performed
21 for the state or a political subdivision of the state. The
22 member shall provide salary and employment documentation
23 certified by his the member's former public employer. The
24 board may grant service credit ~~subject-to-the-provisions-of~~
25 ~~19-3-304(2)~~ upon contribution by the employee of the

actuarial cost of granting this service in the public employees' retirement system, as determined by the board, based on the ~~employee's compensation earned during this period of service and the normal contribution rate according to the~~ most recent actuarial valuation of the system.

(b) The board is the sole authority under this subsection (2) in determining what constitutes full-time public service.

(c) This service may not be credited in more than one retirement system under Title 19."

Section 60. Section 19-3-510, MCA, is amended to read:

"19-3-510. Service Employment in the United States government. (1) A member who is assigned to an agency of the United States government under Title IV, the Intergovernmental Personnel Act of 1970, may qualify such the federal service employment as creditable service in the public-employees' retirement system under subsection (2) of this section, provided that:

(a) the member has accrued 5 years or more of membership service in the public-employees' retirement system; and

(b) the member returns to full-time employment service with the prior former state or local government employer for at least 1 year after completing service employment in the United States government.

(2) A member of the public-employees' retirement system who is assigned to an agency of the United States government has the option to:

(a) continue his the member's payments into the account pension trust fund; or

(b) qualify ~~this service~~ the period of federal employment under ~~19-3-505~~ this section within 2 years after his return to ~~active status as a state or local government employee~~ service under the retirement system.

(3) Salary earned while on assignment to an agency of the United States government must be considered compensation for the purposes of the public-employees' retirement system and may be included in the determination of final ~~compensation as defined in 19-3-104~~ average salary, provided that the final compensation average salary cannot exceed 100% of the member's highest annual compensation earned as a state or local government employee."

Section 61. Section 19-3-511, MCA, is amended to read:

"19-3-511. Transfer of service credits from teachers' retirement system. (1) A member may at any time before his retirement make a written election with the board to qualify in the public employees' retirement system all of his creditable the member's service in the teachers' retirement system. The amount that must be paid to the retirement system to qualify this service under this section is the sum

1 of subsections (2) and (3).

2 (2) The teachers' retirement system shall transfer to
3 the public employees' retirement system an amount equal to
4 72% of the amount determined in accordance with subsection
5 (3).

6 (3) The employee shall pay an amount equal to his the
7 employee's accumulated contributions at the time he the
8 employee terminated active membership with the teachers'
9 retirement system, as defined in 19-4-302, plus accrued
10 interest from the date of termination until payment is
11 received by the public employees' retirement system, based
12 on the interest tables in use by the teachers' retirement
13 system.

14 (4) The amount of creditable service credit granted in
15 subsection (1) must be on a month-by-month basis. Military
16 service credit transferred from the teachers' retirement
17 system must be included in the 5-year maximum military
18 service credit provided for in 19-3-503.

19 (5) Subject to the provisions of 19-3-304, the board is
20 the sole authority in determining the amount of creditable
21 service credit qualified under this section and the amount
22 paid to the retirement system under subsections (2) and (3).

23 (6) If a member who has creditable service credit in
24 the teachers' retirement system dies before he the member
25 qualifies this service in the public employees' retirement

1 system and if the service credits from both systems, when
2 combined, entitle his the member's designated beneficiary to
3 a death survivorship benefit, the payment of the death
4 survivorship benefit is the liability of the public
5 employees' retirement system. Before payment of the death
6 survivorship benefit, the teachers' retirement board must
7 shall transfer to the public employees' retirement system
8 the contributions necessary to qualify this service in the
9 public employees' retirement system as provided in
10 subsections (2) and (3)."

11 **Section 62.** Section 19-3-512, MCA, is amended to read:

12 "19-3-512. Qualification of service from other public
13 retirement systems. (1) A member with 5 or more years of
14 creditable membership service in the public employees'
15 retirement system may qualify:

16 (a) public service employment covered under a public
17 retirement system other than a system provided for in Title
18 19 for which he the member received a refund of his the
19 member's membership contribution; and

20 (b) public service employment that occurred before the
21 public employer adopted a public retirement system.

22 (2) A member may not qualify more than 5 years of
23 service under this section. To qualify this service, a
24 member shall:

25 (a) at any time before his retirement make a written

election with the board to qualify the service; and

(b) contribute to the retirement pension trust fund the actuarial cost of granting the service in the public employees' retirement system, as determined by the board, based on:

(i) his the member's compensation in his the sixth year of service covered under the public employees' retirement system; and

(ii) ~~the normal contribution rate according to~~ the most recent actuarial valuation.

(3) Contributions to qualify service under this section may be made in a lump-sum payment or by making additional contributions in installments as agreed upon by the member and the board.

(4) Service qualified under this section may not be:

(a) credited in any other retirement system under Title 19; or

(b) used to qualify a member to purchase military service under 19-3-503.

(5) Service qualified under this section may not be used in calculating a member's retirement allowance benefit unless his the member's last 5 years of creditable service credit were earned under the public employees' retirement system. If a member's qualified service may not be used in calculating his the member's retirement allowance benefit,

he the member may choose to:

(a) receive a refund of the accumulated contributions made to qualify the service; or

(b) ~~apply the contributions made to qualify the service under the provisions of 19-3-702.~~

Section 63. Section 19-3-513, MCA, is amended to read:

"19-3-513. Election to purchase additional service. (1)

At any time before retirement, a person who became a member of the retirement system before July 1, 1989, and who has 5 years or more of membership service may make a written election with the board to purchase additional service credit for the purpose of calculating his the member's retirement allowance benefit. Except as provided in subsection (3), the member may purchase 1 year of additional service credit for each 5 years of membership service that he the member has qualified under the retirement system, up to a maximum of 5 years of additional service.

(2) For each year of service credit purchased under this section, a member shall contribute to the retirement pension trust fund an amount equal to his ~~normal~~ the member's compensation for the 12-month period immediately preceding the date he the member elects to purchase the service multiplied by the combined employee and employer contribution rates contained in 19-3-701 and 19-3-801 in effect on and after July 1, 1993. Contributions may be made

1 in a lump-sum payment or by making additional contributions
 2 in installments as agreed upon by the member and the board.

3 (3) (a) Except as provided in subsection (3)(b), after
 4 January 1, 1990, a member may elect to qualify a combined
 5 total of 5 years of service under 19-3-503, 19-3-512, or
 6 this section.

7 (b) A member who has purchased service under 19-3-503
 8 or 19-3-512 on or before January 1, 1990, and who elects to
 9 purchase service under this section shall receive credit for
 10 the full months of service purchased on or before January 1,
 11 1990.

12 (4) Service purchased under this section is not
 13 membership service and may not be used to qualify a member
 14 for service retirement."

15 **Section 64.** Section 19-3-907, MCA, is amended to read:

16 "19-3-907. Participation by public administrators --
 17 calculating-benefit. (1) A public administrator appointed or
 18 elected under 7-3-441 or 7-4-2203 who is paid on a fee basis
 19 and who elects membership in the retirement system must be
 20 granted creditable service credit on an annual basis. The
 21 member shall receive 1 full year of creditable service
 22 credit for each full year in which he the member serves in
 23 office.

24 (2) ~~For the purpose of calculating a retirement benefit~~
 25 ~~under 19-3-904 or 19-3-1000 for a person who elects~~

1 ~~membership under subsection (1), "final compensation"~~ "Final
 2 average salary" means the member's highest average annual
 3 compensation during any three 3 calendar years in office for
 4 which creditable service credit has been granted."

5 **NEW SECTION. Section 65.** Service credit for
 6 legislative members. A member of the legislature of Montana
 7 must be credited with membership service for that portion of
 8 each year for which the member pays normal contributions.

9 **Section 66.** Section 19-3-901, MCA, is amended to read:

10 "19-3-901. Eligibility for service retirement. A member
 11 who has attained the age of 60 and completed has 5 years of
 12 qualified membership service is eligible for service
 13 retirement. A member who has attained age 65 while employed
 14 in a position covered by a public employee employees'
 15 retirement system is eligible for service retirement
 16 regardless of his the member's years of creditable
 17 membership service. A member who has completed 30 years or
 18 more of creditable membership service is eligible for
 19 service retirement regardless of his the member's age."

20 **Section 67.** Section 19-3-902, MCA, is amended to read:

21 "19-3-902. Eligibility for early retirement. A member
 22 who is not eligible for service retirement but has attained
 23 age 50 and completed has 5 years of qualified membership
 24 service is eligible for early retirement. A member who has
 25 completed 25 years or more of state membership service is

eligible for early retirement."

Section 68. Section 19-3-903, MCA, is amended to read:

"19-3-903. Time of commencement of allowance benefit.

(1) The board shall grant a retirement allowance benefit to any member who has fulfilled the eligibility requirements of 19-3-901 or 19-3-902, terminated covered employment service, and filed the appropriate written application.

(2) (a) Except as provided in subsections (2)(b) and (2)(c), the retirement allowance benefit may commence on the first day of the month following the member's last day of membership service or, if requested by the terminated inactive member in writing, on the first day of the a later month following receipt of the written application.

(b) The retirement allowance benefit for an eligible terminated inactive member must commence no later than the first day of the month following the member's 60th birthday.

(c) If an elected official's term of office expires before the 15th day of the month, the official may elect to retire on the first day of the last month of his the official's term of office. An official electing this option may not earn membership service, service credit, or salary credits compensation for purposes of calculating final average salary under the retirement system in that month, and compensation earned in that month is not subject to employer or employee contributions."

Section 69. Section 19-3-904, MCA, is amended to read:

"19-3-904. Amount of service retirement allowance benefit. (1) The annual monthly amount of retirement allowance benefit payable to a member following his service retirement is the sum greater of ~~(a) or (b) and (c)~~ subsection (1)(a) or (1)(b) as follows:

~~(a) an annuity which is the actuarial equivalent of his accumulated additional contributions on the day his retirement allowance commences;~~

~~(b)(a) one fifty-sixth of his the member's final compensation average salary multiplied by the number of years of his creditable the member's total service credit and additional service purchased under 19-3-513; or~~

~~(c)(b) any retirement allowance payable under 19-3-905 a monthly annuity that is the actuarial equivalent of double the member's accumulated regular contributions.~~

(2) If a member dies after retirement and has not elected an optional retirement allowance provided for in 19-3-1101, his the member's beneficiary will be paid the excess, if any, of the member's accumulated contributions on the day his the member's retirement allowance commenced over the total of the retirement allowance payments made to the retired member."

Section 70. Section 19-3-905, MCA, is amended to read:

"19-3-905. Adjustment of allowance benefit for certain

1 ~~members. The annual amount of minimum retirement allowance~~
 2 ~~benefit payable to a vested member following his service~~
 3 ~~retirement must be increased by the excess, if any, of the~~
 4 ~~greater of (1) or (2), as follows, over 19-3-904(1)(b):~~

5 ~~(1) the sum of a pension for prior service equal to~~
 6 ~~one-sixtieth of his final compensation multiplied by the~~
 7 ~~number of years of his prior service; an annuity which is~~
 8 ~~the actuarial equivalent of his accumulated normal~~
 9 ~~contributions with regular interest to the day his~~
 10 ~~retirement allowance commences; and a pension for membership~~
 11 ~~service equal to such annuity;~~

12 ~~(2) if the member who has attained age 70 in service~~
 13 ~~the lesser of \$480 or one-half of his final compensation is~~
 14 ~~an annuity of \$40 per month."~~

15 **Section 71.** Section 19-3-906, MCA, is amended to read:

16 "19-3-906. Early retirement allowance benefit. (1) The
 17 annual amount of retirement allowance benefit payable to a
 18 member following his early retirement is the actuarial
 19 equivalent of the accrued portion of the service retirement
 20 allowance which benefit that would have been payable to him
 21 the member commencing at age 60 or upon completion of 30
 22 years of creditable service credit pursuant to 19-3-904.

23 (2) The early retirement allowance ~~shall~~ benefit must
 24 be determined as prescribed in 19-3-904, with the exception
 25 that the allowance benefit must be reduced as follows:

1 (a) by 1/2 of 1% multiplied by the number of months up
 2 to a maximum of 60 months by which the retirement date
 3 precedes the date on which he the member would have retired
 4 had he the member attained 60 years of age or had he the
 5 member completed 30 years of creditable membership service;
 6 and

7 (b) by 3/10 of 1% multiplied by the number of months in
 8 excess of the 60 months in subsection (2)(a) but not to
 9 exceed 60 additional months that the retirement date
 10 precedes the date on which he the member would have retired
 11 had he the member attained 60 years of age or had he the
 12 member completed 30 years of creditable membership service.

13 (3) The actuarial reduction provided for in this
 14 section must be adjusted for any additional service
 15 purchased under 19-3-513."

16 **Section 72.** Section 19-3-1002, MCA, is amended to read:

17 "19-3-1002. Eligibility for disability retirement. (1)
 18 Except as provided in subsections (2) and (3) ~~and 19-3-1004,~~
 19 a member entering service prior to February 24, 1991, who is
 20 not eligible for service or early retirement but has
 21 completed at least 5 years of creditable membership service
 22 and has become disabled while in an active service as
 23 ~~defined in 19-3-1001~~ membership is eligible for disability
 24 retirement, as provided in 19-3-1008(1).

25 (2) A An active member age 60 or older who has

1 completed 5 years of creditable membership service and has
 2 had a duty-related accident forcing him the member to
 3 terminate his employment but who has not received or is
 4 ineligible to receive workers' compensation benefits under
 5 Title 39, chapter 71, for the duty-related accident may
 6 conditionally waive his the member's eligibility for a
 7 service retirement in order to be eligible for disability
 8 retirement. The waiver is effective only upon approval by
 9 the board of his the member's application for disability
 10 retirement. The board shall determine whether a member has
 11 become disabled ~~under the provisions of 19-3-1003~~. The board
 12 may request any information on file with the state
 13 compensation mutual insurance fund concerning any
 14 duty-related accident. If no information is not available,
 15 the board may request and the state fund shall provide an
 16 investigative report on the disabling accident.

17 (3) (a) A member employed in service on February 24,
 18 1991, has a one-time election to be covered for disability
 19 purposes under the provisions of 19-3-1008(2). This election
 20 is irrevocable and must be made in writing by the member no
 21 later than December 31, 1991. Coverage under the provisions
 22 of 19-3-1008(2) commences on the date the completed election
 23 form is received by the board or its designated
 24 representative. To be eligible for disability benefits under
 25 the provisions of this part, a member must have completed 5

1 years of creditable membership service and must have become
 2 disabled while in an active service, ~~as defined in 19-3-1001~~
 3 member.

4 (b) An individual becoming a member after February 24,
 5 1991, who has completed 5 years of creditable membership
 6 service and has become disabled while in an active service,
 7 ~~as defined in 19-3-1001~~, member is covered for disability
 8 purposes under the provisions of 19-3-1008(2)."

9 **Section 73.** Section 19-3-1005, MCA, is amended to read:

10 "19-3-1005. Application for disability retirement
 11 allowance benefit. The board shall grant a disability
 12 retirement allowance benefit to any member who has fulfilled
 13 the eligibility requirements of 19-3-1002 and duly filed the
 14 appropriate written application. An application may be filed
 15 on a member's behalf by the head of the office or department
 16 in which the member is or was last employed or by any other
 17 person on behalf of the member, or the board upon its own
 18 motion may make the application. Application must be made
 19 within 4 full months after the member's discontinuance of
 20 service unless the member is disabled continuously from the
 21 date of discontinuance of service to the date of the
 22 application."

23 **Section 74.** Section 19-3-1006, MCA, is amended to read:

24 "19-3-1006. Time of commencement of allowance benefit.
 25 The retirement allowance benefit payable to a member who has

1 become disabled shall--commence commences on the day
2 following the member's last day of membership service."

3 **Section 75.** Section 19-3-1007, MCA, is amended to read:

4 "19-3-1007. Allowance Benefit for duty-related
5 disability. (1) The ~~annual amount~~ of retirement allowance
6 benefit payable to a member eligible for disability
7 retirement for duty-related reasons and granted prior to
8 July 1, 1977, is 50% of his the member's final compensation
9 average salary. However, ~~the annual amount of retirement~~
10 ~~allowance is 25% of final compensation for any period during~~
11 ~~which the member has been awarded workers' compensation,~~
12 ~~whether such compensation is received in periodic payments~~
13 ~~or in a lump sum. The annual amount of retirement allowance~~
14 ~~reverts to 50% of final compensation at the end of such~~
15 ~~period.~~

16 (2) Any retired member receiving a disability
17 retirement allowance benefit on July 1, 1977, who has
18 previously been granted a duty-related disability under
19 provisions in effect on June 30, 1977, ~~will be~~ is subject to
20 the provisions of this section after July 1, 1977."

21 **Section 76.** Section 19-3-1008, MCA, is amended to read:

22 "19-3-1008. Allowance Benefit for disability. (1) The
23 ~~annual~~ monthly amount of the retirement allowance benefit
24 payable to a member eligible for disability retirement under
25 the provisions of 19-3-1002(1) is ~~the sum of (i) (a), (i) (b),~~

1 and ~~(i) (c)~~ of this section as follows:

2 (a) ~~an annuity which is the actuarial equivalent of his~~
3 ~~accumulated additional contributions on the day his~~
4 ~~retirement allowance commences;~~

5 (b) ~~an annuity which is the actuarial equivalent of his~~
6 ~~accumulated normal contributions with normal interest to the~~
7 ~~day his retirement allowance commences;~~

8 (c) ~~if in the opinion of the board, the disability is~~
9 ~~not due to intemperance, willful misconduct, or violation of~~
10 ~~law on the part of the member, a pension which is the~~
11 ~~greater of (i) (c) (i) or (i) (c) (ii) subsection (1) (a) or~~
12 ~~(1) (b) as follows:~~

13 (i) ~~a pension which, together with the annuity provided~~
14 ~~under subsection (i) (b), shall make the retirement allowance~~
15 ~~equal to (a) 90% of one fifty-sixth of his the member's~~
16 ~~final compensation average salary multiplied by his the~~
17 ~~member's years of creditable service credit and, including~~
18 ~~any additional service purchased under 19-3-513; or~~

19 (ii) ~~(b) a retirement allowance benefit equal to 25% of~~
20 ~~his the member's final compensation average salary.~~

21 (2) The ~~annual~~ monthly amount of retirement allowance
22 benefit payable to a member eligible for disability
23 retirement under the provisions of 19-3-1002(3) is a
24 retirement allowance benefit equal to one fifty-sixth of his
25 the member's final compensation average salary multiplied by

his the member's years of creditable service credit and, including any additional service purchased under 19-3-513.

~~(3)--Except--as--provided--in--19-3-1101, if a member dies after retirement and has not elected an optional retirement allowance provided for in 19-3-1101, his beneficiary will be paid the excess, if any, of the member's accumulated contributions on the day his retirement allowance commenced over the total of the retirement allowance payments made to the retired member.~~

~~(4)~~ (3) Subject to the provisions of part 11 of this chapter, a retired member receiving a disability retirement allowance benefit on February 24, 1991, who has previously been granted a disability retirement allowance benefit under the provisions of this section will continue to receive the monthly disability retirement allowance benefit as calculated prior to February 24, 1991, subject to any postretirement or cost-of-living increases granted by the legislature."

Section 77. Section 19-3-1102, MCA, is amended to read:

"19-3-1102. Medical examination of disability retiree -- cancellation and reinstatement. (1) The board may, in its discretion, require the recipient of a disability retirement allowance a disabled member to undergo a medical examination. The examination must be made by a physician or surgeon appointed by the board, at the place of residence of

the recipient or another a place mutually agreed upon by the retired member and the board. Upon the basis of the examination, the board shall determine whether the recipient disabled member is unable, by reason of physical or mental incapacity, to perform either the duties of the position held by him the member when he the member retired or the duties proposed to be assigned to him the member. If the board determines that the recipient member is not incapacitated or if the recipient member refuses to submit to a medical examination, his the member's retirement allowance benefit must be canceled.

(2) If the board determines that a recipient of a disability retirement allowance disabled member should no longer be subject to medical review, the board may grant a service retirement status to the recipient member without recalculating his the monthly allowance benefit. The board shall notify the recipient member in writing as to the change in status. If the recipient disabled member disagrees with the board's determination, he the member may request the board to reconsider its action. The request for reconsideration must be made in writing within 60 days after receipt of the notice of the status change.

(3) A recipient member whose disability retirement allowance benefit is canceled because the board has determined that he the member is no longer incapacitated

1 must be reinstated to the position held by him the member
 2 immediately before his the member's retirement or to a
 3 position in the same classification with duties within his
 4 the member's capacity if he--had--been the member was an
 5 employee of the state or of the university. If he--had--been
 6 the member was an employee of a contracting employer, the
 7 board shall notify the proper official of the contracting
 8 employer that the disability retirement allowance benefit
 9 has been canceled and that the former employee is eligible
 10 for reinstatement to duty. The fact that he the former
 11 employee was retired for disability may not prejudice any
 12 right to reinstatement to duty that he the former employee
 13 may have or claim to have.

14 (4) If a recipient member whose disability retirement
 15 allowance benefit is canceled is not reemployed in a
 16 position subject to the retirement system, his the member's
 17 service is considered, for the purposes of 19-3-703, to have
 18 been discontinued coincident with the commencement of his
 19 the member's retirement allowance benefit."

20 **Section 78.** Section 19-3-1201, MCA, is amended to read:

21 "19-3-1201. Eligibility for death benefits payments.
 22 Upon receipt of a written application filed with the board
 23 by a designated beneficiary, the board shall grant a death
 24 benefit to the designated beneficiary of any member or
 25 former-member who dies in-any-of-the-following-statutes:

1 (1) while in service;

2 (2) within 6 months after the discontinuance of service
 3 but before retirement;

4 (3) while a recipient of a disability retirement
 5 allowance-because-of-disability benefit, if such--allowance
 6 the benefit has been in effect less than 6 months; or

7 (4) while disabled, ~~as-defined-in-19-3-1001,~~ if he the
 8 member has been continuously so disabled from--the since
 9 discontinuance of his the member's service but is not
 10 receiving a disability retirement allowance benefit because
 11 of-the-disability."

12 **Section 79.** Section 19-3-1202, MCA, is amended to read:

13 "19-3-1202. Amount of lump-sum death benefit payment.
 14 The amount of payment to be made to those eligible for death
 15 benefit payments is the sum of subsections (1), (2), and (3)
 16 as follows:

17 (1) the member's accumulated contributions;

18 (2) an amount equal to one-twelfth of the compensation
 19 received by the member during the last 12 months of such
 20 compensation multiplied by the smaller of six or the number
 21 of years of his--creditable the member's service credit;
 22 ~~provided-however-that-this-portion-of-the-death-benefit-is~~
 23 ~~not-payable-if-the-board-receives-a-certification--from--the~~
 24 ~~state--compensation--mutual-insurance-fund-that-it-is-paying~~
 25 ~~compensation-because-the-member's-death-resulted-from-injury~~

or-disease-arising-out-of-or-in-the--course--of--employment;
and

(3) the accumulated regular interest on the amounts in subsections (1) and (2) of-this-section to the first day of the month in which the benefit payment is paid made."

Section 80. Section 19-3-1203, MCA, is amended to read:

"19-3-1203. Election of optional death benefit annuity.

A The designated beneficiary of a member or-his-beneficiary after-his-death may elect to have the lump-sum death benefit payment paid in an actuarially equivalent form subject to such the rules as the board may adopt. Election of an optional death benefit-~~shall~~ annuity must be by written application. The annuity payments are not subject to increases that may be granted to other monthly retirement benefits."

Section 81. Section 19-3-1204, MCA, is amended to read:

"19-3-1204. Survivorship allowance benefit elected by beneficiary. (1) A designated beneficiary eligible to receive a lump-sum death benefit payment may elect, by written application, a survivorship allowance benefit instead, if all of the following conditions are met:

(a) The member on behalf of whom the death benefit is payable had completed 5 years of creditable membership service.

(b) The designated beneficiary is a natural person.

(c) The designated beneficiary elects the survivorship allowance benefit within 90 days of receipt of notice from the board that he the designated beneficiary is eligible to receive the lump-sum death benefit payment.

(2) (a) If the designated beneficiary is a minor, the custodian designated in 19-3-1304 may, on the minor's behalf, file a written application with the board.

(b) If no an application is not filed on the minor's behalf, the designated beneficiary may file a written application upon reaching the age of majority. For the purposes of this subsection (b), the survivorship allowance benefit provided for in 19-3-1205 must be calculated as if the member had died on the last day of the month before the month in which the application was filed."

Section 82. Section 19-3-1205, MCA, is amended to read:

"19-3-1205. Amount of survivorship allowance benefit.

The ~~annual-amount-of~~ survivorship allowance benefit payable to a member's designated beneficiary ~~shall--be~~ is the actuarial equivalent of either:

(1) the accrued portion of the service retirement ~~allowance-which~~ benefit that would have been payable to the member commencing at age 60 pursuant to 19-3-904, if he the member had not attained age 60 at the time of his death; or

(2) if the deceased member had attained age 60 or completed earned 30 years of service credit at the time of

1 his death, the service retirement allowance--which benefit
 2 that would have been payable to the member if he the member
 3 had retired immediately prior to his death."

4 NEW SECTION. Section 83. Death payments to designated
 5 beneficiaries of retired members. If a retired member
 6 receiving a regular retirement benefit dies without
 7 designating a contingent annuitant under 19-3-1101, the
 8 member's designated beneficiary must be paid the excess, if
 9 any, of the member's accumulated contributions on the day
 10 that the member's retirement benefit commenced over the
 11 total of the retirement benefit payments made to the retired
 12 member.

13 **Section 84.** Section 19-3-404, MCA, is amended to read:

14 "19-3-404. Refund when former member dies after
 15 transferring to another system. The accumulated
 16 contributions of a member who dies after becoming a member
 17 of any other system described in 19-3-403(8)(4) and before
 18 receiving his the member's accumulated contributions shall
 19 must be paid to the designated beneficiary nominated-by-him
 20 to-receive-any-death-benefit-payable-under-19-3-1201."

21 **Section 85.** Section 19-3-1101, MCA, is amended to read:

22 "19-3-1101. Optional retirement--allowance forms of
 23 benefits. (1) The retirement allowance benefit of a member
 24 or the survivorship benefit of a designated beneficiary who
 25 so-elects-shall makes an election must be converted, in lieu

1 of all other benefits under this chapter, into an optional
 2 retirement allowance--which benefit that is the actuarial
 3 equivalent of the regular--retirement--allowance original
 4 benefit. The optional retirement allowance benefit is a
 5 reduced--amount initially payable during the member's or
 6 designated beneficiary's lifetime, with a subsequent benefit
 7 to the contingent annuitant whom the member or designated
 8 beneficiary nominated by written designation, executed and
 9 filed with the board on the application for benefits, as
 10 follows:

11 (a) option Option 2--a continuation of the reduced
 12 retirement--allowance amount after the death of the initial
 13 payee and payable during the lifetime of his the named
 14 contingent annuitant;

15 (b) option Option 3--a continuation of one-half of the
 16 reduced retirement--allowance amount after the death of the
 17 initial payee and payable during the lifetime of his the
 18 named contingent annuitant;

19 (c) option Option 4--such upon the initial payee's
 20 death, other actuarially equivalent benefit amounts as may
 21 be approved by the board.

22 (2) Election of an optional retirement allowance
 23 benefit must be by written application filed prior to the
 24 first payment of the regular-retirement--allowance benefit.

25 (3) If either-the-member a benefit recipient or his the

1 recipient's contingent annuitant dies before the-member-has
2 received the first payment has been made under option 2 or
3 3, the election of the option is automatically canceled.

4 (4) If a member dies after retirement and within 30
5 days from the date his the member's election or changed
6 election of an optional retirement allowance benefit is
7 received by the board, then the election is void and the
8 death is considered as that of a member before retirement.

9 (5) (a) Upon written request to the board, a retired
10 member who is receiving an optional retirement allowance
11 benefit may designate a different contingent annuitant,
12 select a different option, or convert his the member's
13 optional retirement allowance benefit to a regular
14 retirement allowance benefit if:

15 (i) the original contingent annuitant has died; or

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

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

24 **Section 86.** Section 19-3-1104, MCA, is amended to read:

25 "19-3-1104. Cancellation of disability retirement

1 allowance benefit upon reemployment. Any person receiving a
2 retirement allowance benefit who becomes an employee shall
3 be is considered reinstated to service from retirement, and
4 his the person's retirement allowance-shall-be benefit is
5 canceled."

6 **Section 87.** Section 19-3-1105, MCA, is amended to read:

7 "19-3-1105. Allowance Benefit upon a second retirement.

8 (1) Upon retirement subsequent to a cancellation under
9 19-3-1104, a member shall be--entitled--to receive a
10 recalculated benefit as provided in 19-3-904. Such The
11 recalculated benefit shall--be is based on his creditable
12 service credit accumulated at the time of his the member's
13 previous retirement plus any creditable service credit
14 accumulated subsequent to his reemployment.

15 (2) Except as otherwise expressly provided by law, he
16 shall the member must receive the benefit of provisions
17 enacted subsequent to his initial retirement only if he the
18 member accrues at least 2 years of creditable service credit
19 subsequent to his reinstatement and then only with respect
20 to such-creditable the service credit."

21 **Section 88.** Section 19-3-1106, MCA, is amended to read:

22 "19-3-1106. Limited reemployment -- reduction of
23 service retirement allowance benefit upon exceeding limits.

24 (1) A person retired member under 65 years of age receiving
25 a service retirement allowance,--not--as--a--beneficiary,

benefit may return to employment covered by the retirement system for a period not to exceed 600 hours in any calendar year without returning to service and without any effect to the retiree's retirement benefit. The retirement allowance benefit for any retiree exceeding this 600-hour limitation in any calendar year after retirement ~~will~~ must be reduced \$1 for each \$1 earned after working 600 hours in that calendar year.

(2) A retiree 65 years of age or older who returns to employment covered by the retirement system is either subject to the 600-hour limitation of subsection (1) or may earn an amount equal to 50% of his the retiree's current annual retirement benefits, whichever limitation provides the greater compensation to the retiree, in any calendar year. Upon reaching the applicable limitation, the retiree's benefits must be reduced \$1 for each \$1 in other income earned in covered service beyond the applicable limitation during that calendar year.

(3) A retiree returning to employment covered by the retirement system shall report to the board the number of hours ~~he--has~~ worked by the retiree and the gross compensation paid to him the retiree in that employment during any month after retirement.

(4) A retiree returning to employment covered by the retirement system may elect to return to active membership

at any time during this period of covered employment."

Section 89. Section 19-3-1103, MCA, is amended to read:

"19-3-1103. Disability allowance benefit reduced by earnings -- change in retirement status. (1) (a) ~~Should~~ If the recipient of a disability retirement allowance--because of--disability--engage benefit engages in a gainful occupation during any month other than ~~as an--employee--as--defined--in 19-3-104~~ in a position covered by the retirement system, the amount of his the recipient's retirement allowance benefit for that month ~~shall~~ must be reduced to an amount which that, when added to the compensation earned by him the recipient in that occupation, ~~shall~~ does not exceed the amount of his the recipient's monthly compensation at the time of his the recipient's retirement.

(b) For the purpose of calculating a reduction under subsection (1)(a), the board, at the request of a recipient of a disability retirement allowance benefit, may adjust the recipient's monthly compensation as it was at the time of retirement by an inflationary factor if he the recipient has been receiving a disability retirement allowance benefit for more than 36 consecutive months.

(2) At the request of a recipient of a disability retirement allowance benefit who is age 60 or older, the board may grant service retirement status to the recipient without recalculating his the recipient's monthly allowance

benefit.

(3) Benefit adjustments granted by the legislature may not be included in calculations required under this section."

Section 90. Section 19-3-1109, MCA, is amended to read:

"19-3-1109. Eligibility for postretirement adjustment.

(1) Except as provided in subsection (2), a member--or beneficiary benefit recipient is eligible to receive a postretirement adjustment as provided in 19-3-1111 if he the person is receiving a:

(a) service retirement allowance benefit and is 55 years of age or older on or before June 30 in the year that the postretirement adjustment is made; or

(b) disability or survivorship allowance benefit.

(2) A member--or--beneficiary benefit recipient is ineligible to receive a postretirement adjustment under subsection (1) unless he the recipient has been receiving a monthly service, disability, or survivorship allowance benefit for at least 24 consecutive months on or before June 30 in the year the adjustment is made."

Section 91. Section 19-3-1110, MCA, is amended to read:

"19-3-1110. Funding for postretirement adjustment -- reserve fund. (1) At the end of each fiscal year, the board shall determine the total investment income earned on the retirement pension trust fund for that fiscal year. From

this amount, the board shall subtract the:

(a) actuarial amount required to fund the retirement system for the fiscal year; and

(b) retirement system's administrative and investment expenses for the fiscal year.

(2) (a) From the remainder obtained in subsection (1), the board shall calculate the amount of investment income earned on that portion of the retirement pension trust fund balance representing retired members.

(b) The board shall deposit the amount calculated in subsection (2)(a) in a reserve fund.

(3) Subject to the restrictions contained in subsections (4) and (5), the board shall annually use 90% of the amount in the reserve fund provided for in subsection (2)(b) to pay a postretirement adjustment to eligible members--or--beneficiaries benefit recipients under 19-3-1111.

(4) If the amount in the reserve fund is insufficient to provide an average monthly postretirement adjustment of at least \$1 under 19-3-1111, an adjustment may not be made in that calendar year.

(5) The amount available for payment of the postretirement allowance adjustment is limited to an amount that would provide a percentage increase in the average service, disability, or survivorship allowance benefit of all eligible members benefit recipients, when combined with

the postretirement adjustment, that is equal to or less than the percentage increase for the previous calendar year in the annual average consumer price index for urban wage earners and workers compiled by the bureau of labor statistics, United States department of labor, or its successor agency."

Section 92. Section 19-3-1111, MCA, is amended to read:

"19-3-1111. Payment and amount of postretirement adjustment. (1) Effective January 1 of each year that funds are available under 19-3-1110, a member--or--beneficiary benefit recipient eligible under 19-3-1109 ~~shall~~ must receive a postretirement adjustment in the form of a monthly benefit payable for life.

(2) The board shall calculate the amount of the postretirement allowance adjustment payable to an eligible ~~member-or-beneficiary~~ benefit recipient by:

(a) dividing the amount available under 19-3-1110(3) for payment of the postretirement allowance adjustment by the total accumulated years of service credit for all eligible ~~members-and-beneficiaries~~ benefit recipients;

(b) multiplying the quotient obtained in subsection (2)(a) by the individual eligible member's total years--of service credits;

(c) dividing the product obtained in subsection (2)(b) by a factor for calculating a monthly annuity from actuarial

tables adopted by the board; and

(d) applying the provisions contained in subsections (3) and (4).

(3) If a member had elected to receive an optional retirement allowance benefit, the amount of his the member's postretirement allowance adjustment must be adjusted by the appropriate optional factor.

(4) If more than one beneficiary contingent annuitant is receiving a member's retirement allowance benefit, the postretirement adjustment must be divided in the same manner as the member's retirement allowance benefit."

NEW SECTION. Section 93. Short title. This chapter may be cited as the "Judges' Retirement Act".

Section 94. Section 19-5-102, MCA, is amended to read:

"19-5-102. Retirement Judges' retirement system established. There is a retirement system known as the Montana judges' retirement system, which is governed by the provisions of [sections 1 through 42] and this chapter."

Section 95. Section 19-5-101, MCA, is amended to read:

"19-5-101. Definitions. Unless a different meaning is plainly implied by the context, the following definitions apply in this chapter:

{1}--"Accumulated deductions"--means--the--total--of--the amounts deducted from the salary of a contributor, paid into the--fund,--and standing to his credit in the fund, together

1 with-the-regular-interest-thereon.

2 {2}--"Actuarial-equivalent"--means--a--benefit--of--equal
3 value-when-computed-upon-the-basis-of-the-1971-Group-Annuity
4 Mortality-Table, with-ages-set-back-4-years-and-an-interest
5 rate-of-8% compounded-annually.

6 {3}--"Beneficiary"--means-the-person-whom-the-contributor
7 nominates-by-written-designation, witnessed-and--filed--with
8 the-board.

9 {4}--"Board"--means--the--public--employees--retirement
10 board.

11 {5}--"Contributor"--means-any-person-who-has-accumulated
12 deductions-in-the-fund-standing-to-his-credit.

13 (1) "Compensation" means remuneration as defined in
14 2-16-404, 3-5-211, and 3-7-222 paid to a member.

15 {6}{2} "Final Current salary" means the annual current
16 salary compensation for the office retired from.

17 {7}--"Fund"--means-the-Montana-judges--retirement--system
18 pension-trust-fund.

19 {8}{3} "Involuntary retirement" means a retirement not
20 for cause and before retirement age.

21 {9}--"Member's annuity"--means-payments-for-life--derived
22 from-contributions-made-by-the-contributor.

23 {10}{4} "Retired judge" means any judge or justice in
24 receipt of a retirement allowance benefit under this
25 chapter.

1 {11}--"Retirement allowance"--means-the-state-annuity-plus
2 the-member's-annuity.

3 {12}--"State--annuity"--means--payments--for-life-derived
4 from-contributions-made-by-the-state-of-Montana."

5 Section 96. Section 19-5-103, MCA, is amended to read:

6 "19-5-103. Call of retired judge for duty. (1) Every
7 judge or justice who has voluntarily retired after 8 years
8 of service shall, if physically and mentally able, be
9 subject to call by the supreme court or the chief justice
10 thereof to aid and assist the supreme court, any district
11 court, or any water court under such directions as the
12 supreme court may give, including the examination of the
13 facts, cases, and authorities cited, and the preparation of
14 opinions for and on behalf of the supreme court, district
15 court, or water court, or to serve as water judge. The
16 opinions, when and if and to the extent approved by the
17 court, may by the court be ordered to constitute the opinion
18 of such the court. Such The court and such the retired judge
19 or justice may, subject to any rule which that the supreme
20 court may adopt, perform any and all duties preliminary to
21 the final disposition of cases insofar--as that are not
22 inconsistent with the constitution of the state.

23 (2) Such A retired judge or justice, when called to
24 service as-herein-provided, shall must be reimbursed for his
25 actual expenses, if any, in responding to such the call. In

1 addition, for each day of service a retired justice or judge
2 is entitled to receive compensation in an amount equal to
3 one-twentieth of the monthly salary then currently
4 applicable to the judicial position in which the service is
5 rendered minus an amount equal to one-twentieth of the
6 monthly retirement allowance benefit the retired justice or
7 judge is receiving, if any, for each day of service
8 rendered."

9 **Section 97.** Section 19-5-301, MCA, is amended to read:

10 "19-5-301. Membership -- inactive vested members --
11 inactive nonvested members. (1) A Except for a judge or
12 justice who was-a-member-of-the-PERS-prior-to-December-31,
13 1984, may-elect elected in writing to remain under that
14 system--by--notifying-the-public-employees'-retirement-board
15 in-writing-of-the-election the public employees' retirement
16 system on or before October 1, 1985:

17 {2}--Every other, a judge of a district court, a justice
18 of the supreme court, and the chief water judge provided for
19 in 3-7-221 must be a-member members of the Montana judges'
20 retirement system.

21 (2) A judge pro tempore is not eligible for active
22 membership in the retirement system.

23 (3) A member with at least 5 years of membership
24 service who terminates service and does not take a refund of
25 the member's accumulated contributions is an inactive vested

1 member and retains the right to purchase service and to
2 receive a retirement benefit under the provisions of this
3 chapter.

4 (4) A member with less than 5 years of membership
5 service who terminates service and leaves the member's
6 accumulated contributions in the pension trust fund is an
7 inactive nonvested member and is not eligible for any
8 benefits from the retirement system. An inactive nonvested
9 member is eligible only for a refund of the member's
10 accumulated contributions."

11 **Section 98.** Section 19-5-401, MCA, is amended to read:

12 "19-5-401. Payments into pension trust fund. All
13 appropriations made by the state of Montana, all
14 contributions by members, and all interest on and increase
15 of the investments and moneys money in the pension trust
16 fund shall must be paid to the public-employees'-retirement
17 division of--the--department-of-administration, which shall
18 credit the payments to the fund. These funds may be
19 commingled with other pension trust funds of the PERS
20 division, but separate accounts shall must be maintained for
21 the Montana judges' retirement system."

22 **Section 99.** Section 19-5-402, MCA, is amended to read:

23 "19-5-402. Member's contribution. (1) Every Each member
24 shall be-required-to contribute into the fund a sum equal to
25 6%--of--his--monthly-salary, except that a member elected or

1 appointed-to-office-after-July-17-1983, shall be required to
 2 contribute into the fund a sum equal to 7% of his the
 3 member's monthly salary compensation beginning on the first
 4 day of his the member's term. This sum shall be deducted
 5 from his salary and credited to his account in the fund.

6 (2) Each employer, pursuant to section 414(h)(2) of the
 7 Internal Revenue Code, as amended and applicable on July 1,
 8 1991, shall pick up and pay the contributions that would be
 9 payable by the member under subsection (1) for service
 10 rendered after June 30, 1991.

11 (3) The member's contribution picked up by the employer
 12 is the member's contribution for all purposes of the
 13 retirement system, except for the determination of a tax
 14 upon a distribution from the retirement system. The
 15 contributions must become part of the member's accumulated
 16 contributions but must be accounted for separately from the
 17 previously accumulated contributions.

18 (4) The member's contributions picked up by the
 19 employer are payable from the same source used to pay
 20 compensation to the member and must be included in the
 21 member's monthly compensation. The employer shall deduct
 22 from the member's compensation an amount equal to the amount
 23 of the member's contributions picked up by the employer and
 24 remit the total of the contributions to the board."

25 **Section 100.** Section 19-5-403, MCA, is amended to read:

1 "19-5-403. Refunds in case of resignation or discharge.
 2 When a contributor member willingly resigns or is discharged
 3 for cause before becoming entitled to a retirement allowance
 4 benefit, the accumulated deductions contributions standing
 5 to his the member's credit must be paid to him the member
 6 upon the board's receipt of his the member's written
 7 application for a refund."

8 **Section 101.** Section 19-5-404, MCA, is amended to read:

9 "19-5-404. Contributions by state. (1) The state of
 10 Montana shall contribute monthly to the pension trust fund a
 11 sum equal to 6% of the salary compensation of each member.
 12 In addition, the clerk of each district court shall transmit
 13 68% of certain filing fees as required under 25-1-201(2) and
 14 that portion of the fee for filing a petition for
 15 dissolution of marriage and a motion for substitution of a
 16 judge specified in 25-1-201(4) and (6) to the state, which
 17 shall first deposit in the pension trust fund an amount
 18 equal to 34.71% of the salaries total compensation paid to
 19 district judges and supreme court justices who are covered
 20 by the judges' retirement system and then deposit the
 21 balance in the state general fund. The clerk of the supreme
 22 court shall pay one-fourth of the fees collected under
 23 3-2-403 to the public-employees'-retirement division of--the
 24 department--of--administration to be credited to the pension
 25 trust fund. The money from court fees collected pursuant to

1 this--section--is--statutorily--appropriated,--as--provided--in
2 17-7-502,--to--the--supreme--court--for--deposit--in--the--judges'
3 retirement--fund.

4 (2) The state of Montana shall contribute monthly from
5 the water development account in the state special revenue
6 fund to the judges' retirement pension trust fund an amount
7 equal to 34.71% of the salary compensation paid to the chief
8 water court judge."

9 **Section 102.** Section 19-5-501, MCA, is amended to read:

10 "19-5-501. Eligibility for service retirement. (1) Any
11 member who has completed at least 5 years or more of
12 membership service and has reached the age of 65 may retire
13 and receive the proportional retirement allowances benefits
14 provided in 19-5-502.

15 (2) No-retirement-allowances Retirement benefits may
16 not be approved by the board while the member is drawing
17 full compensation as a judge or justice. However, allowances
18 benefits may not be withheld for receiving compensation as a
19 judge pro tempore."

20 **Section 103.** Section 19-5-502, MCA, is amended to read:

21 "19-5-502. Service retirement allowance benefit. Upon
22 retirement from service, a member shall must receive a
23 service retirement allowance--which--shall--consist--of--the
24 state--annuity--plus--the--member's--annuity,--The--member's
25 annuity--shall--be--the--actuarial--equivalent--of--his--aggregate

1 contributions--at--the--time--of--retirement,--The--state--annuity
2 shall--be--in--an--amount--which,--when--added--to--the--member's
3 annuity,--will--provide--a--total--retirement--allowance--of
4 benefit equal to 3 1/3% per year of his-final the member's
5 current salary for the first 15 years' years of credited
6 service and 1.785% per year for each year's year of credited
7 service after 15 years."

8 **Section 104.** Section 19-5-503, MCA, is amended to read:

9 "19-5-503. Involuntary retirement allowance benefit.

10 (1) If a contributor member is involuntarily discontinued
11 from service after having completed 5 years of total
12 membership service but before reaching retirement age, he
13 the member shall, upon filing an application in the manner
14 prescribed by the board, be paid whichever-of-the-following
15 allowances-that-he-elects:

16 (a)--the--full--amount--of--his--accumulated--deductions,--or

17 (b)--a--member's--annuity an involuntary retirement
18 benefit of equivalent actuarial value to his-accumulated
19 deductions,--plus--an--annuity--which--is--the--actuarial
20 equivalent--of--the--present--value--of--the--state--annuity the
21 service retirement benefit payable under 19-5-502 then
22 standing to his the member's credit.

23 (2) If a contributor member elected or appointed to
24 office prior to July 1, 1983, is involuntarily discontinued
25 from service after having completed earned at least 12 years

1 of total service credit but before reaching service
 2 retirement age, he--shall the member must, upon filing an
 3 application in the manner prescribed by the board, be paid
 4 ~~whichever-of-the-following-allowances-that-he-elects:~~

5 (a)--the full amount of his accumulated deductions; or

6 (b)--a member's annuity of equivalent actuarial value to
 7 his--accumulated--deductions;--plus--a--state--annuity in an
 8 amount which, when--added--to--the--member's--annuity,--will
 9 provide--a--total--annuity--equal--to the allowance service
 10 retirement benefit provided for in 19-5-502.

11 (3) If a contributor member elected or appointed to
 12 office after July 1, 1983, is involuntarily discontinued
 13 from service after having completed earned at least 12 years
 14 of total service credit but before reaching service
 15 retirement age, he the member may apply for and receive an
 16 involuntary retirement benefit that is the actuarial
 17 equivalent of benefits under--this--chapter pursuant to
 18 subsection (1)."

19 **Section 105.** Section 19-5-601, MCA, is amended to read:

20 "19-5-601. Disability retirement allowance benefit. In
 21 case of the total disability of a contributor,--permanent--in
 22 character;--regardless--of--length--of--service--of--the
 23 contributor member, a disability retirement allowance--shall
 24 benefit must be granted the contributor member in an amount
 25 calculated on--the--actuarial--equivalent--of--the--member's

1 annuity--and-the-state-annuity actuarially equivalent to the
 2 service retirement benefit standing to his the member's
 3 credit at the time of his the member's disability
 4 retirement. If such-total the disability is a direct result
 5 of any service to the Montana judiciary in the line of duty,
 6 then--such--judge--or--justice--who-is-totally-and-permanently
 7 disabled--shall-be-retired-on-total-retirement-allowance-of-a
 8 minimum of the member must receive a benefit equal to
 9 one-half of his the member's final current salary or the
 10 allowance benefit provided in 19-5-502, whichever is
 11 greater. In--the--event-of-any-disability-not-caused-in-the
 12 line-of-duty-after--attaining--the--age--of--60--years,--the
 13 maximum-monthly-payment-shall-be-the-retirement-allowance-as
 14 provided-in-19-5-502."

15 **Section 106.** Section 19-5-612, MCA, is amended to read:

16 "19-5-612. Medical examination of disability retiree --
 17 cancellation of allowance benefit. (1) The board, in its
 18 discretion, may require the recipient of a disability
 19 retirement allowance benefit to undergo a medical
 20 examination. The examination must be made by a physician or
 21 surgeon at the recipient's place of residence or at another
 22 place mutually agreed on, at the board's expense. Upon the
 23 basis of the examination, the board shall determine, by
 24 reason of physical or mental capacity, whether the recipient
 25 can perform the duties of the position held by him the

1 recipient when he the recipient was retired. If the board
2 determines that the recipient is not incapacitated or if the
3 recipient refuses to submit to a medical examination, his
4 the recipient's disability retirement allowance benefit must
5 be canceled.

6 (2) The cancellation of a disability retirement
7 allowance benefit because a recipient is no longer
8 incapacitated may not prejudice any right of the recipient
9 to a retirement benefit other than a disability allowance
10 retirement benefit."

11 **Section 107.** Section 19-5-603, MCA, is amended to read:

12 "19-5-603. Payments upon employment-related death. If
13 the board ~~shall find~~ finds that a contributor member died as
14 a direct and proximate result of injury received in the
15 course of his employment the member's service, a retirement
16 allowance shall survivorship benefit must be paid to his the
17 member's designated beneficiary. Such retirement allowance
18 ~~shall consist of:~~

19 ~~{1}--a member's annuity which shall be the actuarial~~
20 ~~equivalent--of--the--contributor's--accumulated--deductions~~
21 ~~standing to his credit; and~~

22 {2} The survivorship benefit is the actuarial
23 equivalent of a state annuity which, when added to the
24 member's annuity, will provide a total annuity equal to the
25 allowance a member's retirement benefit provided for in

1 19-5-502."

2 **Section 108.** Section 19-5-604, MCA, is amended to read:

3 "19-5-604. Payments in case of death from other causes.

4 (1) If the a retired judge-or-justice member who chose a
5 regular retirement benefit dies before receiving ~~in~~ payments
6 equal to the present value of his the member's annuity--and
7 the--state--annuity retirement benefit as it was at the time
8 of his the member's retirement, the balance ~~shall~~ must be
9 paid to his the member's designated beneficiary in a lump
10 sum. At the designated beneficiary's request, the lump sum
11 may be paid as an actuarially equivalent annuity that will
12 not be subject to increases for any purpose.

13 (2) If a member dies before reaching retirement age,
14 his the member's designated beneficiary ~~shall be~~ is entitled
15 to a monthly survivorship benefit that is the actuarial
16 equivalent of the options as provided in 19-5-503."

17 **Section 109.** Section 19-5-701, MCA, is amended to read:

18 "19-5-701. Optional retirement--allowance forms of
19 benefits. (1) A The retirement benefit of a member or the
20 survivorship benefit of a designated beneficiary may--elect
21 one--of--the who so elects, must be converted, in lieu of all
22 other benefits under this chapter, into an optional
23 retirement allowances--set--forth--in--subsection--(2)--at--any
24 time--before--the--first--payment--on--account--of--any--retirement
25 allowance--is--made--if--a--member--dies--after--retirement--and

within 30 days from the date upon which his election or changed election was received by the board, the election is void and the death will be considered as that of a member before retirement.

(2) A member or a beneficiary may elect or, prior to the approval of a previous election, revoke or change the previous election and elect to receive benefit that is the actuarial equivalent of his retirement allowance as of the date of retirement in a lesser retirement allowance payable throughout life with one of the following options: the original benefit. The optional retirement benefit is initially payable during the member's or designated beneficiary's lifetime, with a subsequent benefit payable to the contingent annuitant that the member or designated beneficiary nominated by written designation, executed and filed with the board on the application for benefits, as follows:

(a) Option 2--upon his death, his lesser retirement allowance will be continued throughout the life of and paid to the person that he nominated by written designation, duly executed and filed with the board at the time of his retirement: a continuation of the reduced amount after the death of the initial payee and payable during the lifetime of the named contingent annuitant;

(b) Option 3--upon his death, a continuation of

one-half of his lesser retirement allowance will be continued throughout the life of and paid to the person that he nominated by written designation, duly executed and filed with the board at the time of his retirement. the reduced amount after the death of the initial payee and payable during the lifetime of the named contingent annuitant;

(c) Option 4--such upon the initial payee's death, other benefits will be paid, either to his beneficiary or to any other person that he nominated, as together with the lesser retirement allowance are the actuarial equivalent of his retirement allowance and have been approved by the board actuarially equivalent amounts as may be approved by the board.

(2) Election of an optional retirement benefit must be by written application filed prior to the first payment of the benefit.

(3) If a benefit recipient or the recipient's contingent annuitant dies before the first payment has been made under option 2 or 3, the election of the option is automatically canceled.

(4) If the member dies after retirement and within 30 days from the date the member's election or changed election of an optional retirement benefit is received by the board, the election is void and the death is considered as that of a member before retirement."

1 NEW SECTION. Section 110. Short title. This chapter
2 may be cited as "The Highway Patrol Officers' Retirement
3 Act".

4 **Section 111.** Section 19-6-102, MCA, is amended to read:

5 "19-6-102. Retirement Highway patrol officers'
6 retirement system established. There is a retirement system
7 known as the Montana highway patrol officers' retirement
8 system, which is governed by the provisions of [sections 1
9 through 42] and this chapter."

10 **Section 112.** Section 19-6-101, MCA, is amended to read:

11 "19-6-101. Definitions. Unless the context requires
12 otherwise, the following definitions apply in this chapter:

13 {1}--"Account"--means--the--Montana--highway--patrol
14 officers'-retirement-pension-trust-fund;

15 {2}--"Accumulated--deductions"--means--the--total--of--the
16 amounts--deducted--from--the--salary--of--a--member--paid--into--the
17 account--and--standing--to--his--credit--in--the--account--together
18 with--the--regular--interest--thereon;

19 {3}--"Actuarial--equivalent"--means--a--benefit--of--equal
20 value--when--computed--on--the--basis--of--the--1971--Group--Annuity
21 Mortality--Table--with--ages--set--back--4--years--and--an--interest
22 rate--of--8%--compounded--annually;

23 {4}--"Beneficiary"--means--a--surviving--spouse--or--dependent
24 child--or--if--there--is--no--surviving--spouse--or--dependent
25 child--a--person--nominated--to--receive--benefits--under

1 19-6-602;

2 {5}--"Board"--means--the--public--employees'-retirement
3 board--provided--for--in--2-15-1009;

4 {6}--"Department"--means--the--public--employees'-retirement
5 division--of--the--department--of--administration;

6 (1) "Compensation" means remuneration paid for services
7 to a member out of funds controlled by an employer before
8 any deductions have been made and exclusive of maintenance,
9 allowances, and expenses.

10 {7}{2} "Dependent child" means an unmarried child of a
11 deceased retired patrol-officer member, who is:

12 (a) under 18 years of age; or

13 (b) under 24 years of age and attending an accredited
14 postsecondary educational institution as a full-time student
15 in anticipation of receiving a certificate or degree.

16 {8}{3} "Final average salary" means the average annual
17 monthly compensation received by a member--before--any
18 deductions--have--been--made--and--exclusive--of--maintenance--
19 allowances--and--expenses; for any 3 years of continuous
20 service upon which contributions have been made or, in the
21 event a member has not served 3 years, the total
22 compensation earned divided by the number of years months
23 served. Lump-sum payments for sick leave and annual leave
24 paid to an employee upon termination of employment service
25 may be used in the calculation of a retirement allowance

benefit only to the extent that they are used to replace, on a month-for-month month-for-month basis, the normal compensation for a month or months included in the calculation of the final average salary. A lump-sum payment may not be added to a single month's compensation.

{9}--"Member"--means--a--person--who--has--accumulated deductions-in-the-account-standing-to-his-credit--

{10}--"Member's--annuity"--means--payments--for--life--derived from--contributions--made--by--the--member--

{11}--"Retired-patrol-officer"--means--a--person--in--receipt of--a--retirement--allowance--under--this--chapter--

{12}--"Retirement--age"--means--the--age--at--which--a--member retires--after--25--years--of--creditable--service--with--the Montana-highway-patrol--

{13}--"Retirement--allowance"--means--the--state--annuity--plus the--member's--annuity--

{14}--"State--annuity"--means--payments--for--life--derived from--contributions--made--by--the--state--of--Montana--

{15}{14} "Surviving spouse" means the spouse married to a retired patrol-officer member at the time of the retired patrol-officer's member's death.

{15} "Survivor" means a surviving spouse or dependent child of a member."

Section 113. Section 19-6-301, MCA, is amended to read:

"19-6-301. Membership -- inactive vested members --

inactive nonvested members. (1) All members of the Montana highway patrol, including the supervisor and assistant supervisors, must be members of the retirement system.

(2) A member with at least 5 years of membership service who terminates service and does not take a refund of the member's accumulated contributions is an inactive vested member and retains the right to purchase service and to receive a retirement benefit under the provisions of this chapter.

(3) A member with less than 5 years of membership service who terminates service and leaves the member's accumulated contributions in the pension trust fund is an inactive nonvested member and is not eligible for any benefits from the retirement system. An inactive nonvested member is eligible only for a refund of the member's accumulated contributions."

Section 114. Section 19-6-401, MCA, is amended to read:

"19-6-401. Payments into retirement pension trust fund. All appropriations made by the state, all contributions by members of--the--Montana--highway--patrol, in the amount specified, all interest on and increase of the investments and money under this account pension trust fund, and a portion of the fees from driver's licenses and duplicate driver's licenses as provided in 61-5-121 must be paid to the account pension trust fund."

Section 115. Section 19-6-402, MCA, is amended to read:

"19-6-402. **Member's contribution.** (1) Every Each member shall ~~be--required--to~~ contribute into the account pension trust fund a sum equal to 9% of ~~his~~ the member's monthly salary compensation, which ~~sum-shall must~~ be deposited to ~~his~~ the member's credit in the account pension trust fund.

(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 that~~ would be payable by the member under subsection (1) for service rendered after June 30, 1985.

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

(4) The member's contributions picked up by the employer must be payable from the same source as is used to pay compensation to the member and must be included in the member's wages as defined in 19-1-102 and ~~his~~ the member's compensation as used to define ~~his~~ the member's final average salary in 19-6-101. The employer shall deduct from the member's

compensation an amount equal to the amount of the member's contributions picked up by the employer and remit the total of the contributions to the board."

Section 116. Section 19-6-403, MCA, is amended to read:

"19-6-403. **Refund of member's contribution.** If a member willingly resigns or is discharged for cause before becoming entitled to a retirement ~~allowance~~ benefit, the accumulated ~~deductions~~ contributions standing to ~~his~~ the member's credit must be paid to ~~him~~ the member upon ~~his~~ the member's written application to the board."

Section 117. Section 19-6-404, MCA, is amended to read:

"19-6-404. **State's contribution.** The state of Montana shall annually contribute to the account pension trust fund an amount equal to 36.28% of the ~~salaries~~ total compensation paid to the ~~highway-patrol-officers-who-are-covered-by-this~~ account members from the following sources:

(1) an amount equal to 26.10% of ~~salaries~~ the total compensation of the members is payable from the same source that is used to pay compensation to the members; and

(2) an amount equal to 10.18% of ~~salaries~~ the total compensation of the members is payable from a portion of the fees from driver's licenses and duplicate driver's licenses as provided in 61-5-121."

Section 118. Section 19-6-304, MCA, is amended to read:

"19-6-304. **Election to qualify military service for**

1 ~~full--credit.~~ (1) A member with 15 years or more of service
 2 credit with the Montana highway patrol may, at any time
 3 prior to his retirement, make a written election with the
 4 department division to qualify all or any portion of his the
 5 member's active service in the armed forces of the United
 6 States for the purpose of calculating retirement benefits,
 7 up to a maximum of 5 years, if he the member is not
 8 otherwise eligible to receive service credit for this same
 9 service pursuant to ~~19-6-303~~ 19-3-502.

10 (2) To qualify this service ~~he-must~~ the member shall
 11 contribute to the account the amount determined by the
 12 department division to be due based on his the member's
 13 compensation and ~~normal~~ regular contribution rate as of his
 14 the member's 16th year and as many succeeding years as are
 15 required to qualify this service, with interest from the
 16 date he the member becomes eligible for this benefit to the
 17 date he the member contributes. He The member may not
 18 qualify more of this service than he the member has service
 19 with the Montana highway patrol in excess of 15 years."

20 **Section 119.** Section 19-6-305, MCA, is amended to read:

21 "19-6-305. Qualification of service-from other Montana
 22 public retirement-systems service. (1) (a) A member may, at
 23 any time before his retirement, make a written election with
 24 the board to qualify all or any portion of his-creditable
 25 the member's service in the public employees', sheriffs',

1 game wardens', firefighters' unified, or municipal police
 2 officers' retirement system for which he the member has
 3 received a refund of his the member's membership
 4 contributions. To qualify this service, he-must the member
 5 shall contribute to the retirement pension trust fund the
 6 actuarial cost of granting the service credit in the highway
 7 patrol officers' retirement system, as determined by the
 8 board, based on ~~his-compensation-earned-as-a-member-of-the~~
 9 ~~former-system-and-the-normal-contribution-rate-according--to~~
 10 the most recent actuarial valuation minus the employer
 11 contribution provided in subsection (1)(b). This service may
 12 not be credited in more than one retirement system under
 13 Title 19.

14 (b) Upon receiving the member's payment under
 15 subsection (1)(a), the administrator division shall transfer
 16 from the member's former retirement system to the highway
 17 patrol officers' retirement system an amount equal to the
 18 employer contributions made during the member's service but
 19 no more than an amount equal to the normal contribution rate
 20 minus the employee contribution rate in the highway patrol
 21 officers' retirement system, according to the most recent
 22 actuarial valuation-~~based-on-the--salaries--earned--by--the~~
 23 ~~employee-as-a-member-of-the-former-system.~~

24 (2) (a) A member may, at any time before his
 25 retirement, make a written election with the board to

1 qualify any full-time public service employment performed
 2 for the state or a political subdivision of the state. The
 3 member shall provide salary compensation and employment
 4 documentation certified by his the member's public employer.
 5 The board ~~may~~ shall grant service credit subject to the
 6 ~~provisions--of--19-6-201~~ rules adopted by the board upon
 7 contribution by the employee of the actuarial cost of
 8 granting this service in the highway patrol officers'
 9 retirement system, as determined by the board, based on the
 10 ~~employee's compensation earned during this period of service~~
 11 ~~and the normal contribution rate according to~~ the most
 12 recent actuarial valuation of the system.

13 (b) The board is the sole authority under this
 14 subsection (2) in determining what constitutes full-time
 15 public service.

16 (c) This service employment may not be credited in more
 17 than one retirement system under Title 19."

18 **Section 120.** Section 19-6-306, MCA, is amended to read:

19 "19-6-306. Election to qualify law enforcement service
 20 performed in another state. (1) Except as provided in
 21 subsections (4) through (6), a member with 5 years or more
 22 of creditable membership service in the highway--patrol
 23 officers' retirement system may qualify 1 year of
 24 out-of-state law enforcement employment for each year of
 25 creditable service credit under the highway-patrol-officers'

1 retirement system, up to a maximum of 5 years, provided that
 2 he the member is not eligible to receive a retirement
 3 benefit for that out-of-state law enforcement employment.

4 (2) To qualify this service, a member shall:

5 (a) at any time before his the member's retirement,
 6 make a written election with the board to qualify the
 7 service; and

8 (b) contribute to the retirement pension trust fund the
 9 actuarial cost of granting the service in the highway-patrol
 10 officers' retirement system, as determined by the board,
 11 based on:

12 (i) his the member's compensation for the 12 months
 13 immediately preceding the date of his the member's election
 14 to cover the service under the highway-patrol-officers'
 15 retirement system; and

16 (ii) the total contribution rate in effect at the time
 17 of purchase of service.

18 (3) Contributions to qualify service under this section
 19 may be made in a lump-sum payment or in installments as
 20 agreed upon by the member and the board.

21 (4) Service qualified under this section may not be:

22 (a) credited in any other retirement system under Title
 23 19; or

24 (b) used to qualify a member to purchase military
 25 service under 19-6-304.

(5) Service qualified under this section may not be used in calculating a member's retirement allowance benefit unless the last 5 years of creditable service credit were earned under the highway-patrol-officers' retirement system. If a member's qualified service may not be used in calculating his the member's retirement allowance benefit, he the member may choose to receive a refund of the contributions made to qualify the service.

(6) The combined total service qualified under this section and military service qualified under 19-6-304 may not exceed 5 years."

Section 121. Section 19-6-501, MCA, is amended to read:

"19-6-501. Eligibility and application for service retirement allowance benefit -- commencement of allowance benefit. (1) (a) A member first employed by the Montana highway patrol on or before July 1, 1985, is eligible to receive a service retirement allowance benefit after completing 20 years or more of creditable membership service and terminating covered-employment service.

(b) A member first employed by the Montana highway patrol after July 1, 1985, is eligible to receive a service retirement allowance benefit when he the member has reached age 50, completed 20 years or more of creditable membership service, and terminated covered-employment service.

(2) A member eligible to receive a retirement allowance

benefit, as provided in subsection (1), ~~must~~ shall apply in writing to the department division.

(3) (a) Except as provided in subsection (3)(b), the retirement allowance benefit may commence on the first day of the month following the member's last day of covered employment service or, if requested by the terminated inactive member in writing, on the first day of the month following receipt of the written application.

(b) The retirement allowance benefit for an eligible terminated member who has terminated service must commence no later than the first day of the month following the member's 60th birthday."

Section 122. Section 19-6-502, MCA, is amended to read:

"19-6-502. Service retirement allowance benefit. (1) Upon retirement from service, a member shall ~~must~~ receive a service retirement allowance-consisting-of-the-state-annuity plus-the-member's-annuity-

(2)--The-amount-of-the-service-retirement-allowance-must equal benefit equal to 2.5% of his the member's final average salary for each year of creditable service credit."

Section 123. Section 19-6-503, MCA, is amended to read:

"19-6-503. Retirement---allowance Early retirement benefit for member discontinued from service other than for cause. If a member is discontinued from service other than for cause after having completed 5 years of total membership

service but before reaching retirement age, he shall the member must, upon filing a written application with the department division, be paid whichever--of-the-following allowances-that-he-elects-

(1)--the-full-amount-of-his-accumulated-deductions;-or

(2)--a-member's-annuity-of-equivalent-actuarial an early retirement benefit that is of actuarial equivalent value to his--accumulated--deductions--plus--an--annuity-which-is-the actuarial-equivalent-of--the--present--value--of--the--state annuity to a service retirement based on a retirement age of 60."

Section 124. Section 19-6-505, MCA, is amended to read:

"19-6-505. Payment of retirement allowance benefits.

(1) The department--shall--pay--the service retirement allowance--provided--for-in-19-6-502 benefit must be paid to the retired patrol-officer member for the remainder of his the member's life.

(2) Upon the retired patrol-officer's member's death, the department--shall--pay--the retirement allowance benefit must be paid to the patrol-officer's member's surviving spouse, if there is one.

(3) (a) If upon the retired patrol--officer's member's death there is no surviving spouse or if the spouse dies, the department--shall--pay--the retirement allowance benefit must be paid as provided in subsection (3)(c) to the retired

patrol--officer's member's child, if there is one, for as long as the child remains a dependent as-defined-in-19-6-101 child.

(b) If there is more than one dependent child, the retirement allowance benefit must be paid as provided in subsection (3)(c) to the children collectively. When a child is no longer qualifies-as a dependent as-defined-in-19-6-101 child, the pro rata payments to that child must cease and be made to the remaining child or children until all the children are no longer dependent.

(c) Payments to a dependent child must be made to the child's appointed guardian for the child's use.

(4) If upon the retired patrol-officer's member's death there is no surviving spouse or dependent child and if the member had designated a beneficiary as provided in 19-6-602 19-3-1301, the department--shall--pay--to--the designated beneficiary must be paid an amount equal to the retired patrol--officer's member's accumulated deductions contributions less any retirement benefits paid to the member before his the member's death.

(5) If the retired patrol--officer member did not designate a beneficiary or if the beneficiary predeceased the retired patrol officer, the amount provided in subsection (4) must be paid to the patrol-officer's member's estate."

Section 125. Section 19-6-601, MCA, is amended to read:

"19-6-601. Disability retirement allowance benefit. (1)

In case of the total disability of a member, permanent--in character,--regardless--of--the--length--of--service--of--the member, a disability retirement allowance--shall benefit must be granted the member in-an-amount-calculated-on that is the actuarial equivalent of the member's annuity-and--the--state annuity service retirement benefit under 19-6-502 standing to his the member's credit at the time of his the member's disability retirement. If such--total the disability is a direct result of any service to the Montana highway patrol in the line of duty, then such-patrol-officer the member who is totally-and-permanently disabled shall must be retired on total a disability retirement allowance benefit of one-half his-average the member's final average salary regardless of his the member's length of service.

(2) Upon the death of a retired patrol-officer member receiving a disability retirement allowance benefit as provided in subsection (1), the allowance benefit must be paid to his the member's surviving spouse or dependent child, if there is a spouse or child, in the same manner as provided for in subsections-(2)-and-(3)-of 19-6-505(2) and (3)."

Section 126. Section 19-6-612, MCA, is amended to read:

"19-6-612. Medical examination of disability retiree --

cancellation of allowance benefit. (1) The board,--in--its discretion, may require the recipient of a disability retirement allowance benefit to undergo a medical examination. The examination must be made by a physician or surgeon at the recipient's place of residence or at another place mutually agreed on, at the board's expense. Upon the basis of the examination, the board shall determine,--by reason-of-physical-or-mental-capacity, whether the recipient can perform the duties of the position held by him the recipient when he the recipient retired. If the board determines that the recipient is not incapacitated, his the recipient's disability retirement allowance benefit must be canceled when he the recipient is offered a position under subsection (3). If the recipient refuses to submit to a medical examination, his the recipient's disability retirement allowance benefit must be canceled when-he-is notified-of-the-determination-of-the-board.

(2) If the board determines that a recipient of a disability retirement allowance benefit should no longer be subject to medical review, the board may grant a service retirement status to the recipient without recalculating his the recipient's monthly allowance benefit. The board shall notify the recipient in writing as to the change in status. If the recipient disagrees with the board's determination, he the recipient may request the board to reconsider its

1 action. The request for reconsideration must be made in
2 writing within 60 days after receipt of the notice of the
3 status change.

4 (3) A recipient whose disability retirement allowance
5 benefit is canceled because the board has determined that he
6 the recipient is no longer incapacitated must be reinstated
7 to the position held by him the recipient immediately before
8 his the recipient's retirement or to a position in the same
9 classification within his the recipient's capacity,
10 whichever is first open. The fact that he the recipient was
11 retired for disability may not prejudice any right to
12 reinstatement to duty that he the recipient may have or
13 claim to have.

14 (4) The department of justice may request a medical or
15 psychological review as to the ability of the recipient to
16 return to work as a member of the highway patrol. If the
17 board's findings are upheld, the department of justice shall
18 pay the cost of the review."

19 **Section 127.** Section 19-6-603, MCA, is amended to read:

20 "19-6-603. Payments---upon Survivorship benefits --
21 employment-related death. (1) If the board shall-find finds
22 that a member died as a direct and proximate result of
23 injury received in the course of his-employment the member's
24 service, a retirement-allowance-shall survivorship benefit
25 must be paid to his the member's surviving spouse, or

1 dependent child,--or--designated--beneficiary in the same
2 manner as provided for in subsections--(2)--through--(4)--of
3 19-6-505(2) through (4).

4 (2) Such The retirement allowance benefit shall-consist
5 of:

6 (a)--a-member's-annuity,--which-shall--be--the--actuarial
7 equivalent--of--the-member's-accumulated-deductions-standing
8 to-his-credit,--and

9 (b)--the-actuarial-equivalent-of-a-state-annuity--which,
10 when--added--to--the--member's-annuity,--will-provide-a-total
11 annuity must equal to 50% of the final average salary of the
12 member,--less-the-amount-which-is-paid-to-a-surviving-spouse,
13 dependent--child,--or--designated--beneficiary--under--the
14 Workers'-Compensation-Act-of-the-state-of-Montana-during-the
15 period-such-compensation-is-paid-or-payable."

16 **Section 128.** Section 19-6-604, MCA, is amended to read:

17 "19-6-604. Payments-upon Survivorship benefits -- death
18 from other causes. If a member dies before reaching
19 retirement age, the department-shall-pay--to--his member's
20 surviving spouse, or dependent child,--or--designated
21 beneficiary--in--the--same--manner--as---provided---for---in
22 subsections--(2)--through--(4)--of--19-6-505 must be paid a
23 survivorship benefit that is the actuarial equivalent of the
24 options-as early retirement benefit provided in 19-6-503, in
25 the same manner as provided for in 19-6-505."

1 NEW SECTION. Section 129. Death payments in absence of
 2 survivors. If upon the member's death before retirement
 3 there is no surviving spouse or dependent child and if the
 4 member had designated a beneficiary as provided in
 5 19-3-1301, the designated beneficiary must be paid an amount
 6 equal to the member's accumulated contributions. If there is
 7 no designated beneficiary, death payments must be paid to
 8 the member's estate.

9 **Section 130.** Section 19-6-707, MCA, is amended to read:

10 "19-6-707. Minimum monthly benefit allowance. (1)
 11 Subject to the limitations contained in subsection (2), the
 12 following retired highway-patrol-officers members and their
 13 beneficiaries survivors are eligible to receive a monthly
 14 benefit allowance of not less than 2% multiplied by the
 15 patrol-officer's-creditable-years-of member's service
 16 credits multiplied by the current base salary compensation
 17 received by a probationary highway patrol officer:

18 (a) a retired patrol-officer member who is 55 years of
 19 age or older, except as provided in subsection (3), or his
 20 beneficiary the member's survivor, who is receiving a
 21 service retirement allowance benefit;

22 (b) a retired patrol-officer member, or his-beneficiary
 23 the member's survivor, who is receiving a disability
 24 retirement allowance benefit; and

25 (c) a beneficiary-receiving recipient of a survivorship

1 allowance benefit.

2 (2) (a) The maximum monthly benefit allowance paid
 3 under subsection (1) may not exceed 60% of the current base
 4 salary compensation of a probationary highway patrol
 5 officer.

6 (b) The annual increase in a monthly benefit allowance
 7 under subsection (1) may not exceed 5% of the current
 8 monthly benefit allowance paid to a retired highway-patrol
 9 officer member or his-beneficiary the member's survivor.

10 (3) A retired patrol-officer member otherwise qualified
 11 under subsection (1)(a) who is employed in a position
 12 covered by a retirement system under Title 19--chapters--3
 13 through--137 is ineligible to receive the minimum monthly
 14 benefit allowance provided for in this section until his
 15 employment the member's service in the covered position is
 16 terminated."

17 **Section 131.** Section 19-6-709, MCA, is amended to read:

18 "19-6-709. Supplemental benefits for certain retirees.

19 (1) In addition to any retirement allowance benefit payable
 20 under this chapter, a retired patrol-officer member or a
 21 beneficiary survivor determined by the board to be eligible
 22 under subsection (2) shall must receive an annual lump-sum
 23 benefit payment beginning in September 1991 and each
 24 succeeding year as long as he the member remains eligible.

25 (2) To be eligible for the benefits under this section,

a person must be receiving a monthly benefit before July 1, 1991, and must be:

(a) a retired patrol-officer member who is 55 years of age or older and who has been receiving a service allowance retirement benefit for at least 5 years prior to the date of distribution;

(b) a beneficiary survivor of a patrol-officer member who would have been eligible under subsection (2)(a); or

(c) a recipient of a disability or survivorship allowance benefit under 19-6-601 or 19-6-603.

(3) A retired patrol-officer member otherwise qualified under this section who is employed in a position covered by a retirement system under Title 19--chapters-3--through--13, is ineligible to receive any lump-sum benefit payments provided for in this section until his--employment the member's service in the covered position is terminated. Upon termination of his the member's covered employment service, the officer retired member becomes eligible in the next fiscal year succeeding his the member's termination.

(4) (a) Twenty-five cents of each motor vehicle registration fee provided for in 61-3-321 must be deposited in the highway-patrol pension trust fund at the end of each fiscal year. The fee is statutorily appropriated, as provided in 17-7-502, for payment of benefits to eligible recipients. The total funds must be distributed by the

department division in lump-sum payments to eligible recipients along with their normal retirement allowance benefit payment.

(b) The lump-sum payment must be distributed proportionally to all eligible recipients based on years--of service credit at the time of retirement, subject to the following:

(i) a recipient under subsection (2)(c) is considered to have 20 years of service for the purposes of the distributions;

(ii) any recipient of a service retirement allowance benefit exceeding the maximum monthly allowance benefit under 19-6-707(2)(a) must have his-years-of the recipient's service credit reduced 25% for the purposes of the distributions;

(iii) the maximum annual increase in the amount available--for-payment of supplemental benefits paid to each individual under this section after August 31, 1993, is limited-to-an-amount-that-will-provide-a-percentage-increase in--the-average-supplemental-benefit-of-all-eligible-members that-is-equal-to the percentage increase for the previous calendar year in the annual average consumer price index for urban wage earners and workers, compiled by the bureau of labor statistics of the United States department of labor or its successor agency. The-intent-of-this--subsection--is--to

1 ~~limit each annual individual supplemental benefit payment to~~
 2 ~~no more than the increase in the consumer price index for~~
 3 ~~the previous calendar year.~~

4 (c) Any amount deposited in the account ~~meaning the~~
 5 ~~highway patrol officers' retirement pension trust fund,~~
 6 under subsection (4)(a) for the payment of supplemental
 7 benefits under this section that exceeds the limitation of
 8 subsection (4)(b)(iii) must be used to amortize unfunded
 9 liabilities of the account retirement system.

10 (5) Every 10 years following July 1, 1991, the
 11 department division shall review the size of the additional
 12 fee collected under 61-3-321(5) and deposited in the account
 13 in accordance with subsection (4)(a) and recommend to each
 14 legislature following the department's division's review any
 15 legislation necessary to reduce the fee to the minimum
 16 amount necessary to provide the supplemental benefits
 17 provided by this section."

18 NEW SECTION. Section 132. Short title. This chapter
 19 may be cited as "The Sheriffs' Retirement Act".

20 **Section 133.** Section 19-7-102, MCA, is amended to read:

21 "19-7-102. Sheriffs' retirement system established. A
 22 retirement system is established for Montana sheriffs, which
 23 shall be is known as the "sheriffs' retirement system". It
 24 will be is an actuarial reserve system for the payment of
 25 death, disability, and retirement benefits to sheriffs and

1 to the beneficiaries of the sheriffs to provide for
 2 themselves and their dependents in the case of disability or
 3 death and upon retirement from active duty. The system is
 4 governed by the provisions of [sections 1 through 42] and
 5 this chapter."

6 **Section 134.** Section 19-7-101, MCA, is amended to read:

7 "19-7-101. Definitions. Unless the context requires
 8 otherwise, the following definitions apply in this chapter:

9 (1) "Account" means the Montana sheriffs' retirement
 10 pension trust fund administered by the board.

11 (2) "Accumulated contributions" or "accumulated
 12 deductions" means the total amount deducted from the salary
 13 of a member during a period of membership service plus the
 14 total amount deducted during a period of prior service and
 15 transferred from the public employees' retirement system
 16 standing to the member's credit in the account together
 17 with the accrued interest.

18 (3) "Actuarial equivalent" means a benefit of equal
 19 value when computed upon the basis of the 1971 Group Annuity
 20 Mortality Table, with ages set back 4 years and an interest
 21 rate of 8% compounded annually.

22 (4) "Beneficiary" means a person who is nominated by
 23 the member in a witnessed document filed with the board.

24 (5) "Board" means the public employees' retirement
 25 board.

1 †6) -- "Creditable service" means the aggregate of all of
2 a member's current and prior service.

3 (1) "Compensation" means remuneration paid for services
4 to a member out of funds controlled by an employer before
5 any deductions are made and exclusive of maintenance,
6 allowances, and expenses.

7 †7) -- "Death benefit" means a monthly annuity or lump-sum
8 payment made to a beneficiary on behalf of a member who dies
9 before retirement.

10 †8) (2) "Final average salary" means the average annual
11 salary monthly compensation received by a member, before any
12 deductions are made and exclusive of maintenance,
13 allowances, and expenses, for any 3 years of continuous
14 service from which contributions were deducted or, in the
15 event that a member has not served 3 years, the total salary
16 compensation earned divided by the number of years months
17 served. Lump-sum payments for sick leave and annual leave
18 paid to an employee upon termination of employment may be
19 used in the calculation of a retirement allowance benefit
20 only to the extent that they are used to replace, on a month
21 for month month-for-month basis, the normal compensation for
22 a month or months included in the calculation of the final
23 average salary. A lump-sum payment may not be added to a
24 single month's compensation.

25 †9) -- "Member" means any person who has accumulated

1 deductions in the account to his credit.

2 †10) -- "Member's annuity" means payments for life derived
3 from contributions made by the member while employed.

4 †11) -- "Membership service" means service for which an
5 amount is deducted from the salary of a member and paid into
6 the account.

7 †12) -- "Prior service" means service for which credit was
8 granted by the public employees' retirement system of the
9 state of Montana.

10 †13) -- "Retired sheriff" means a person receiving a
11 retirement allowance under this chapter.

12 †14) -- "Retirement allowance" means the state annuity plus
13 the member's annuity.

14 †15) -- "Service" means employment as a sheriff.

15 †16) (3) "Sheriff" means any elected or appointed county
16 sheriff, undersheriff, or regularly appointed and acting
17 deputy sheriff.

18 †17) -- "State annuity" means payments for life derived
19 from county contributions into the sheriffs' retirement
20 account, together with any supplemental legislative
21 appropriations to the account.

22 †18) -- "Vested retirement" means a retirement not for
23 cause and before retirement age.

24 Section 135. Section 19-7-301, MCA, is amended to read:

25 "19-7-301. Membership -- exclusions ----- allowance

reduction inactive vested members -- inactive nonvested members. (1) Every sheriff is required to become a member of the sheriffs' retirement system on July 1, 1974, unless he the sheriff was previously a member of the public employees' retirement system on July 1, 1974, in which case he the sheriff may at his the sheriff's option become a member of the sheriffs' retirement system. All sheriffs who become members of the sheriffs' retirement system must remain members so long as they are actively employed in such an eligible capacity, except as provided in subsection (2) [section 153].

(2) ~~A retired sheriff who is employed as a sheriff after retirement for less than 60 working days in a calendar year is excluded from membership. The retirement allowance of a retired sheriff so employed must be reduced by \$1 for each \$3 earned in excess of \$5,000 in a calendar year. A member with at least 15 years of membership service who terminates service and does not take a refund of the member's accumulated contributions is an inactive vested member and retains the right to purchase service and to receive a retirement benefit under the provisions of this chapter.~~

(3) A member with less than 15 years of membership service who terminates service and leaves the member's accumulated contributions in the pension trust fund is an

inactive nonvested member and is not eligible for any benefits from the retirement system. An inactive nonvested member is eligible only for a refund of the member's accumulated contributions."

Section 136. Section 19-7-302, MCA, is amended to read:

"19-7-302. Ineligibility for membership in public employees' retirement system. (1) After July 1, 1974, no a sheriff ~~is eligible to~~ may not become a member of the public employees' retirement system and the provisions of The Public Employees' Retirement System Act do not apply to sheriffs ~~except as provided in 19-7-301.~~

(2) ~~No provision of this~~ This chapter is to may not be construed as to deny any sheriff any benefits accrued under provisions of the public employees' retirement system prior to July 1, 1974."

Section 137. Section 19-7-402, MCA, is amended to read:

"19-7-402. Sources of money in the account fund. The following money shall must be paid to the board division, which shall credit such the payments to the sheriffs' retirement-system-account pension trust fund:

(1) ~~all accumulated deductions paid into the public employees' retirement system by any sheriff during any period of prior service, as defined in this chapter, plus~~

(2) ~~all contributions paid into the public employees' retirement system coincident with such accumulated~~

deductions-by-the-state-of-Montana-or-any-county-or-city;

{3}(1) all contributions by the various counties as required by this chapter;

{4}(2) all contributions by sheriffs members as defined in required by this chapter;

{5}(3) all interest on and increase of the investments and ~~moneys~~ money under this chapter; and

{6}(4) any supplemental appropriation or revenue from a source or sources approved by the legislature or money received directly from the federal government for funding of law enforcement retirement systems."

Section 138. Section 19-7-403, MCA, is amended to read:

"19-7-403. **Members' contributions deducted.** (1) Every ~~member shall be required--to~~ contribute into the account pension trust fund 7% of his the member's monthly salary compensation, which shall ~~must~~ be deposited to his the member's credit in the account pension trust fund.

(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 that would be payable by the member under subsection (1) for service rendered after June 30, 1985.

(3) The member's contributions picked up by the employer must be designated for all purposes of the

retirement system as the member's contributions, except for the determination of a tax upon a distribution from the retirement system. These contributions must become part of the member's accumulated contributions but must be accounted for separately from those previously accumulated.

(4) The member's contributions picked up by the employer must be payable from the same source as is used to pay compensation to the member and must be included in the member's wages as defined in 19-1-102 and his salary as used to define his the member's final average salary in 19-7-101. The employer shall deduct from the member's compensation an amount equal to the amount of the member's contributions picked up by the employer and remit the total of the contributions to the board."

Section 139. Section 19-7-404, MCA, is amended to read:

"19-7-404. **Counties' contributions.** (1) The various counties of Montana shall pay monthly 7.67% of each sheriff's gross salary compensation into the retirement account pension trust fund created by this chapter.

(2) If the required contribution to the retirement system exceeds the funds available to a county from general revenue sources, a county may budget, levy, and collect annually a special tax on the assessable property within the county that is sufficient to raise the amount of revenue needed to meet the county's obligation. This tax may be in

1 addition to the annual rate of taxation allowed by law to be
2 levied by the county."

3 **Section 140.** Section 19-7-308, MCA, is amended to read:

4 "19-7-308. Service-under Membership in municipal police
5 officers' retirement system prior to or following
6 city-county consolidation -- payment of benefits by two
7 systems. (1) A law enforcement officer who has not changed
8 his employment but who has, because of a city-county
9 consolidation, been transferred either from a city police
10 force to a county sheriff's department or from a county
11 sheriff's department to a city police force as a law
12 enforcement officer is eligible for a service retirement
13 benefit if his the officer's combined service in the
14 sheriffs' retirement system and the municipal police
15 officers' retirement system satisfies the minimum membership
16 service requirement of the system to which he the officer
17 last made contributions. A sheriff who has elected to
18 continue membership in the public employees' retirement
19 system under 19-7-301 may continue his the election.
20 However, credit for service in the PERS--which public
21 employees' retirement system that has not been transferred
22 prior to January 1, 1979, may not be transferred.

23 (2) Eligibility for and calculation of disability
24 retirement, death benefits, and refund of contributions are
25 governed by the provisions of the retirement system to which

1 the officer last made contributions.

2 (3) The service retirement benefit of an--officer a
3 member described in subsection (1) shall must be calculated
4 separately for each system based on the service credited
5 under each system. The calculation for the sheriffs'
6 retirement system portion of the benefit must include the
7 appropriate reduction in the retirement allowance benefit
8 for an optional retirement allowance benefit elected under
9 19-7-701. The final salary or final average salary for each
10 calculation shall must be based on the highest salary
11 compensation earned while a member of either system. Each
12 system shall pay its proportionate share, based on the
13 number of years of service credited, of the combined
14 benefit. The combined benefit may not exceed 60% of the
15 member's final salary or final average salary.

16 (4) Upon the death of an--officer a retired member
17 receiving a service retirement allowance benefit under this
18 section, the beneficiary--and--the--continued survivor or
19 contingent annuitant and the continuing benefit must be
20 determined separately for each system as follows:

21 (a) For the municipal police officers' retirement
22 system portion of the benefit, the officer's surviving
23 spouse, if there is one, shall, for as long as the spouse
24 remains--unmarried, must receive from the fund a sum benefit
25 equal to the municipal police officers' retirement system

portion of the officer's service retirement allowance benefit as calculated at the time of his the member's retirement. If the--officer--leaves--one-or-more-dependent children;--then-upon-his-death;--if--he the retired member leaves no surviving spouse or upon the death or-remarriage of the surviving spouse, the officer's retired member's surviving dependent child, or children collectively if there are more than one, shall receive the same monthly payments benefits that a surviving spouse would receive for as long as the child or one of the children remains dependent as defined in 19-9-104. The payments benefits must be made to the child's appointed guardian for the child's use. If there is more than one dependent child, upon each child no longer qualifying as dependent under 19-9-104, the pro rata payments benefits to that child must cease and be made paid to the remaining children until all the children are no longer dependent.

(b) For the sheriffs' retirement system portion of the benefit;--the--officer's---beneficiary;--designated---under 19-7-602;--shall-receive:

(i) an--annuity the contingent annuitant must receive a continuing benefit as determined under 19-7-701, if the officer retired member elected an optional retirement allowance benefit; or

(ii) if the officer retired member did not elect an

optional retirement allowance benefit, any payment owed the officer retired member, including the excess, if any, of his the retired member's accumulated deductions contributions standing to his the retired member's credit at the time of retirement less payments made to the officer retired member must be paid to the retired member's designated beneficiary."

Section 141. Section 19-7-309, MCA, is amended to read:

"19-7-309. Qualification of service-from other Montana public retirement-systems service. (1) (a) A member may, at any time before his retirement, make a written election with the board to qualify all or any portion of his--creditable the member's service in the public employees', highway patrol officers', firefighters' unified, game wardens', or municipal police officers' retirement system for which he the member has received a refund of his the member's membership contributions. To qualify this service, he-must the member shall contribute to the retirement pension trust fund the actuarial cost of granting the service in the sheriffs' retirement system, as determined by the board, based on his-compensation-earned-as-a-member-of-the-former system-and-the-normal-contribution--rate--according--to the most recent actuarial valuation minus the employer contribution provided in subsection (1)(b). This service may not be credited in more than one retirement system under

1 Title 19.

2 (b) Upon receiving the member's payment under
3 subsection (1)(a), the administrator division shall transfer
4 from the member's former retirement system to the sheriffs'
5 retirement system an amount equal to the employer
6 contributions made during the member's service but no more
7 than an amount equal to the normal contribution rate minus
8 the employee contribution rate in the sheriffs' retirement
9 system, according to the most recent actuarial valuation,
10 based on the ~~salaries~~ compensation earned by the employee as
11 a member of the former system.

12 (2) (a) A member may, at any time before his
13 retirement, make a written election with the board to
14 qualify any full-time public service employment performed
15 for the state or a political subdivision of the state. The
16 member shall provide salary compensation and employment
17 documentation certified by his the member's public employer.
18 The board ~~may~~ shall grant service credit ~~subject--to--the~~
19 ~~provisions--of-19-7-201(2)~~ upon contribution by the employee
20 of the actuarial cost of granting this service in the
21 sheriffs' retirement system, as determined by the board,
22 based on ~~the--employee's--compensation--earned--during--this~~
23 ~~period-of-service-and-the-normal-contribution-rate-according~~
24 ~~to the most recent actuarial valuation of the system.~~

25 (b) The board is the sole authority under this

1 subsection (2) in determining what constitutes full-time
2 public service.

3 (c) This service may not be credited in more than one
4 retirement system under Title 19."

5 **Section 142.** Section 19-7-310, MCA, is amended to read:

6 "19-7-310. Election to qualify previous military
7 service. (1) A member with 15 years or more of service
8 credit may, at any time prior to his retirement, make a
9 written election with the board to qualify all or any
10 portion of his the member's active service in the armed
11 forces of the United States for the purpose of calculating
12 retirement benefits, up to a maximum of 5 years, except as
13 provided in subsection (3), if he the member is not
14 otherwise eligible to receive credit. To qualify military
15 service, ~~he-must~~ the member shall contribute to the account
16 the actuarial cost of granting the service, to be determined
17 by the board based on ~~his--compensation--and--normal~~
18 ~~contribution-rate-as-of-his-16th-year-and-as-many-succeeding~~
19 ~~years-as-are-required-to-qualify-this-service-plus--accrued~~
20 ~~interest--Interest-accrues-from-the-date-on-which-the-member~~
21 ~~has--completed--the--number-of-service-years-in-excess-of-15~~
22 ~~needed-to-qualify--the--military--service--to--the--date--he~~
23 contributes the most recent actuarial valuation of the
24 system. He The member may not qualify more of his the
25 member's military service than he the member has service

1 credits in the sheriffs' retirement system in excess of 15
2 years. Military service purchased under this section is not
3 membership service and may not be used in determining
4 eligibility for a service retirement benefit.

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

16 (3) The combined total purchase of additional years of
17 service under the provisions of 19-7-311 and this section
18 may not exceed 5 years."

19 **Section 143.** Section 19-7-311, MCA, is amended to read:

20 "19-7-311. Election to purchase additional service. (1)
21 Except as provided in subsection (6), at any time before
22 retirement, a member may make a written election with the
23 board to purchase 1 additional year of service credit for
24 every 5 years of creditable membership service.

25 (2) Service purchased under this section must be

1 credited for the purpose of meeting retirement eligibility
2 and for calculating retirement benefits.

3 (3) To qualify this service, a member shall:

4 (a) make a written election with the board to qualify
5 the service; and

6 (b) contribute to the retirement pension trust fund the
7 actuarial cost of granting the service in the sheriffs'
8 retirement system, as determined by the board, based on:

9 ~~{i}--the--member's--compensation--for--the---12---months~~
10 ~~immediately--preceding--the--date--of--his--election--to--cover--the~~
11 ~~service--under--the--sheriffs'-retirement-system;--and~~

12 ~~{ii}--the--total--contribution--rate--in--effect--at--the--time~~
13 ~~the--service--is--purchased~~ the most recent actuarial valuation
14 of the system.

15 (4) Contributions to qualify service under this section
16 may be made in a lump-sum payment or in installments as
17 agreed upon by the member and the board. Payments must be
18 completed prior to retirement.

19 (5) Service qualified under this section may not be:

20 (a) credited in any other retirement system under Title
21 19; or

22 (b) used to qualify for the purchase of military
23 service under 19-7-310.

24 (6) The combined total of additional years of service
25 purchased under the provisions of 19-7-310 and this section

may not exceed 5 years."

Section 144. Section 19-7-501, MCA, is amended to read:

"19-7-501. Eligibility and application for service retirement -- commencement of allowance benefit. (1) (a) A member initially elected or appointed before July 1, 1989, who has completed at least 24 years of membership service may retire on a service retirement allowance benefit.

(b) A member initially elected or appointed on or after July 1, 1989, who has completed at least 24 years of membership service, reached the age of 50 years, and terminated covered--employment service may retire on a service retirement allowance benefit.

(2) A member electing to retire shall apply in writing to the board.

(3) (a) Except as provided in subsections (3)(b) and (3)(c), the retirement allowance benefit may commence on the first day of the month following the member's last day of membership service or, if requested by the terminated inactive member in writing, on the first day of the month following receipt of the written application.

(b) The retirement allowance benefit for an eligible terminated inactive member must commence no later than the first day of the month following the member's 65th birthday.

(c) If an elected official's term of office expires before the 15th day of the month, the official may elect to

retire on the first day of the last month of his the term of office. An official electing this option may not earn service or salary-credits compensation for purposes of final average salary under the retirement system in that month, and compensation earned in that month is not subject to employer or employee member contributions."

Section 145. Section 19-7-502, MCA, is amended to read:

"19-7-502. Early retirement option. ~~if-a~~ A member has served with 15 years of creditable membership service as--a sheriff--and who has reached the age of 50 years, he is granted the option and privilege of retiring,--and--in--such case--his may retire with an early retirement allowance benefit. The early retirement benefit shall must be calculated to be the actuarial equivalent of his the member's retirement allowance benefit as otherwise accrued, based upon payment commencing when he the member would have completed 24 years of creditable membership service or reached age 60, whichever is--less event would have occurred first."

Section 146. Section 19-7-503, MCA, is amended to read:

"19-7-503. Service retirement allowance benefit. (1) The amount of any service retirement allowance benefit granted to a member with 24 years or less of creditable membership service shall be is 2.0834% of his the member's final average salary for each year of creditable service

1 credit, up to a maximum of 50% of final average salary.

2 (2) The member's retirement allowance benefit shall
3 must be increased for any member who contributes after 24
4 years of service credit by 1.35% of his the member's final
5 average salary for each year of creditable service credit in
6 excess of 24 years of-service, up to a maximum of 60% of his
7 the member's final average salary.

8 (3) If a member dies after retirement and had not
9 elected an optional retirement allowance benefit provided
10 for in 19-7-701, his the member's designated beneficiary
11 must be paid the excess, if any, of the member's accumulated
12 contributions at the time of retirement less payments made
13 to the retired member."

14 **Section 147.** Section 19-7-504, MCA, is amended to read:

15 "19-7-504. Involuntary retirement allowance benefit. If
16 a member is involuntarily discontinued from service after
17 having completed 5 years of total membership service but
18 before reaching retirement age, he the member shall must,
19 upon filing an application, be paid in one of the following
20 ways:

21 (1) the full amount of his the member's accumulated
22 deductions contributions; or

23 (2) a retirement allowance benefit beginning on his the
24 member's 50th birthday, calculated under the provisions of
25 19-7-502."

1 **Section 148.** Section 19-7-601, MCA, is amended to read:

2 "19-7-601. Disability retirement allowance benefit. {1}
3 In the case of the permanent--total disability of the a
4 member, regardless of the member's length of service, a
5 disability retirement allowance benefit shall must be
6 awarded to the member based on the actuarial equivalent of
7 the member's annuity---and---the---state---annuity service
8 retirement benefit under 19-7-503 standing to his the
9 member's credit at the time of his the member's disability
10 retirement. If such--total--permanent the disability is a
11 direct result of the member's service as a sheriff in the
12 line of duty, then the member shall must be awarded an
13 allowance a benefit of one-half of his the member's final
14 average salary.

15 {2}--"Total--disability"--means-a-disability-of-permanent
16 duration--or--of--extended--or--uncertain---duration---The
17 determination--shall--be--made--by-the-board-on-the-basis-of
18 competent-medical-advice."

19 **Section 149.** Section 19-7-612, MCA, is amended to read:

20 "19-7-612. Medical examination of disability retiree --
21 cancellation of allowance benefit. (1) The board, in its
22 discretion, may require the recipient of a disability
23 retirement allowance benefit to undergo a medical
24 examination. The examination must be made by a physician or
25 surgeon at the recipient's place of residence or at another

1 place mutually agreed on, at the board's expense. Upon the
 2 basis of the examination, the board shall determine, by
 3 reason of physical or mental capacity, whether the recipient
 4 can perform the duties of the position held by him the
 5 recipient when he the recipient was retired. If the board
 6 determines that the recipient is not incapacitated, his the
 7 recipient's disability retirement allowance benefit must be
 8 canceled when he the recipient is offered a position under
 9 subsection (2). If the recipient refuses to submit to a
 10 medical examination, his the recipient's disability
 11 retirement allowance benefit must be canceled when he the
 12 recipient is notified of the determination of the board.

13 (2) A person other than an elected official whose
 14 disability retirement allowance benefit is canceled because
 15 he the person is no longer incapacitated shall must be
 16 reinstated to the position held by him the person
 17 immediately before his the person's retirement or to a
 18 position in the same classification within his the person's
 19 capacity, whichever is first open. The fact that he the
 20 person was retired for disability may not prejudice any
 21 right to reinstatement to duty which he the person may have
 22 or claim to have.

23 (3) The public body required to reinstate a person
 24 under subsection (2) may request a medical or psychological
 25 review as to the ability of the member to return to work as

1 a member of the sheriff's department. If the board's
 2 findings are upheld, the public body shall pay the cost of
 3 the review."

4 **Section 150.** Section 19-7-604, MCA, is amended to read:

5 "19-7-604. Payments in case of death before retirement.
 6 ~~(1)~~ If a member dies before retirement, his the member's
 7 designated beneficiary is entitled to elect one of the
 8 following options for which the member qualified and the
 9 designated beneficiary qualifies:

10 ~~(a)~~(1) a lump-sum payment of the accumulated deductions
 11 contributions standing to the member's credit at his the
 12 member's death;

13 ~~(b)~~(2) a retirement allowance benefit based on 2% of
 14 the final average salary for each year of service credit up
 15 to a maximum of 25 years, reduced on an actuarially
 16 equivalent basis from age 65 or the date he the member would
 17 have completed 25 years of creditable membership service,
 18 whichever provides a larger retirement allowance benefit;

19 ~~(c)~~(3) a retirement allowance benefit based on one-half
 20 of final average salary--reduced-to-25%--of--final--salary--for
 21 the---period--of--time--the--beneficiary--receives--workers--
 22 compensation; if the board finds that the member died as a
 23 direct and proximate result of injuries received in the
 24 course of employment.

25 ~~(2)~~--On-or-before-July-17-1982--a--beneficiary--who--is

receiving a death benefit may elect a different option under subsection (1). Any change in options is subject to actuarial adjustments for benefits received prior to the change as determined by the board."

Section 151. Section 19-7-701, MCA, is amended to read:

"19-7-701. Optional retirement allowance forms of benefits. (1) A The retirement benefit of a member or the survivorship benefit of a designated beneficiary may elect one of the who so elects must be converted, in lieu of all other benefits under this chapter, into an optional retirement allowances set forth in subsection (2) at any time before the first payment on account of any retirement allowance is made if a member dies after retirement and within 30 days from the date upon which his election or changed election was received by the board, the election is void and the death will be considered as that of a member before retirement.

(2) A member or beneficiary may elect or, prior to the approval of a previous election, revoke or change a previous election and elect to receive the actuarial equivalent of his retirement allowance as of the date of retirement in a lesser retirement allowance payable throughout life with one of the following options: benefit that is the actuarial equivalent of the original benefit. The optional retirement benefit is initially payable during the member's or

designated beneficiary's lifetime with a subsequent benefit to the contingent annuitant that the member or designated beneficiary nominated by written designation, executed and filed with the board on the application for benefits, as follows:

(a) Option 2--upon his death, the lesser retirement allowance will be continued throughout the life of and paid to the person that he nominated by written designation, duly executed and filed with the board at the time of retirement, a continuation of the reduced amount after the death of the initial payee and payable during the lifetime of the named contingent annuitant;

(b) Option 3--upon his death, a continuation of one-half of the lesser retirement allowance will be continued throughout the life of and paid to the person that he nominated by written designation, duly executed and filed with the board at the time of retirement, the reduced amount after the death of the initial payee and payable during the lifetime of the named contingent annuitant;

(c) Option 4--such upon the initial payee's death, other benefits will be paid, either to the beneficiary or to any other person that he nominated, as, together with the lesser retirement allowance, are the actuarial equivalent of his retirement allowance and have been actuarially equivalent amounts as may be approved by the board.

(2) Election of an optional retirement benefit must be by written application filed prior to the first payment of the benefit.

(3) If a benefit recipient or the recipient's contingent annuitant dies before the first payment has been made under option 2 or 3, the election of the option is automatically canceled.

(4) If the member dies after retirement and within 30 days from the date the member's election or changed election of an optional retirement benefit is received by the board, the election is void and the death is considered as that of a member before retirement."

NEW SECTION. Section 152. Reemployment of a retired member. (1) A retired member who returns to service for at least 60 working days in a calendar year is an active member of the system. Upon reinstatement as an active member, benefit payments must cease until subsequent retirement.

(2) A retired member who returns to service for less than 60 working days in a calendar year is excluded from membership. The retirement benefit of a retired sheriff employed in service must be reduced by \$1 for each \$3 earned in excess of \$5,000 in a calendar year.

Section 153. Section 19-7-708, MCA, is amended to read:

"19-7-708. Eligibility for postretirement adjustment.

(1) Except as provided in subsection (2), a member-or

beneficiary benefit recipient is eligible to receive a postretirement adjustment as provided in 19-7-710 if he the recipient is receiving a:

(a) service retirement allowance benefit and is 55 years of age or older on or before June 30 in the year that the postretirement adjustment is made; or

(b) disability or survivorship allowance benefit.

(2) A member--or--beneficiary benefit recipient is ineligible to receive a postretirement adjustment under subsection (1) unless he-has-been-receiving--a the monthly service, disability, or survivorship allowance benefit has been paid for at least 24 consecutive months on or before June 30 in the year the adjustment is made."

Section 154. Section 19-7-709, MCA, is amended to read:

"19-7-709. Funding for postretirement adjustment -- reserve fund. (1) At the end of each fiscal year, the board shall determine the total investment income earned on the retirement pension trust fund for that fiscal year. From this amount, the board shall subtract the:

(a) actuarial amount required to fund the retirement system for the fiscal year; and

(b) retirement system's administrative and investment expenses for the fiscal year.

(2) (a) From the remainder obtained in subsection (1), the board shall calculate the amount of investment income

1 earned on that portion of the retirement pension trust fund
2 balance representing retired members.

3 (b) The board shall deposit the amount calculated in
4 subsection (2)(a) in a reserve fund.

5 (3) Subject to the restrictions contained in
6 subsections (4) and (5), the board shall annually use 90% of
7 the amount in the reserve fund provided for in subsection
8 (2)(b) to pay a postretirement adjustment to eligible
9 members or beneficiaries under 19-7-710.

10 (4) If the amount in the reserve fund is insufficient
11 to provide an average monthly postretirement adjustment of
12 at least \$1 under 19-7-710, an adjustment may not be made in
13 that calendar year.

14 (5) The amount available for payment of the
15 postretirement allowance adjustment is limited to an amount
16 that would provide a percentage increase in the average
17 service, disability, or survivorship allowance benefit of
18 all eligible members benefit recipients, when combined with
19 the postretirement adjustment, that is equal to or less than
20 the percentage increase for the previous calendar year in
21 the annual average consumer price index for urban wage
22 earners and workers compiled by the bureau of labor
23 statistics, United States department of labor, or its
24 successor agency."

25 **Section 155.** Section 19-7-710, MCA, is amended to read:

1 "19-7-710. Payment and amount of postretirement
2 adjustment. (1) Effective January 1 of each year that funds
3 are available under 19-7-709, a member--or--beneficiary
4 benefit recipient eligible under 19-7-708 ~~shall~~ must receive
5 a postretirement adjustment in the form of a monthly benefit
6 payable for life.

7 (2) The board shall calculate the amount of the
8 postretirement allowance adjustment payable to an eligible
9 member-or-beneficiary benefit recipient by:

10 (a) dividing the amount available under 19-7-709(3) for
11 payment of the postretirement allowance adjustment by the
12 total accumulated years of service credit for all eligible
13 members-and-beneficiaries benefit recipients;

14 (b) multiplying the quotient obtained in subsection
15 (2)(a) by the member's-total-years-of individual eligible
16 benefit recipient's service credits;

17 (c) dividing the product obtained in subsection (2)(b)
18 by a factor for calculating a monthly annuity from actuarial
19 tables adopted by the board; and

20 (d) applying the provisions contained in subsections
21 (3) and (4).

22 (3) If a member had elected to receive an optional
23 retirement allowance benefit, the amount of his
24 postretirement allowance adjustment must be adjusted by the
25 appropriate optional factor.

(4) If more than one beneficiary contingent annuitant is receiving a member's retirement allowance benefit, the postretirement adjustment must be divided in the same manner as the member's retirement allowance benefit."

NEW SECTION. Section 156. Short title. This chapter may be cited as "The Game Wardens' Retirement Act".

Section 157. Section 19-8-102, MCA, is amended to read:

"19-8-102. Retirement Game wardens' retirement system established. There is a retirement system known as the Montana state game wardens' retirement system, which is governed by the provisions of [sections 1 through 42] and this chapter."

Section 158. Section 19-8-101, MCA, is amended to read:

"19-8-101. **Definitions.** Unless the context requires otherwise, the following definitions apply in this chapter:

(1) "Account" means the Montana state game wardens' retirement pension trust fund;

(2) "Accumulated deductions" or "accumulated contributions" means the sum of all contributions standing to the credit of a member's individual account together with the regular interest thereon;

(3) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of the 1971 Group Annuity Mortality Table, with ages set back 4 years and an interest rate of 8% compounded annually;

(4) "Beneficiary" means a person nominated to receive benefits under this chapter by a member's written designation witnessed and filed with the board;

(5) "Board" means the public employees' retirement board;

(6) "Contributor" means any person who has accumulated deductions in the account standing to his credit;

(1) "Compensation" means remuneration paid for services to a member out of funds controlled by an employer before any deductions are made and exclusive of maintenance, allowances, and expenses.

(7) (2) "Final average salary" means the average annual monthly compensation received by a contributor before any deductions have been made and exclusive of maintenance allowances, and expenses, member for any 3 years of continuous service upon which contributions have been were made or, in the event a member has not served 3 years, the total retirement compensation earned divided by the number of years months served. Lump-sum payments for sick leave and annual leave paid to an employee upon termination of employment may be used in the calculation of a retirement allowance benefit only to the extent that they are used to replace, on a month-for-month month-for-month basis, the normal compensation for a month or months included in the calculation of the final average salary. A lump-sum payment

may not be added to a single month's compensation.

~~{8}--"Member's annuity" means payments for life derived from contributions made by the contributor;~~

~~{9}--"Retired state game warden" means any person in receipt of a retirement allowance under this chapter;~~

~~{10}--"Retirement allowance" means the state annuity plus the member's annuity;~~

~~{11}--"State annuity" means payments for life derived from contributions made by the state from department of fish, wildlife, and parks moneys;~~

~~{12}{3} "State game warden" means all a state fish and game wardens warden hired by the department of fish, wildlife, and parks and includes all warden supervisory personnel whose salaries or compensation is paid out of the department of fish, wildlife, and parks moneys money."~~

Section 159. Section 19-8-301, MCA, is amended to read:

~~"19-8-301. Membership -- inactive vested members -- inactive nonvested members. (1) Except as provided in 19-8-302, each state game warden, including all warden supervisory personnel, whose salary or compensation for services is paid out of the department of fish, wildlife, and parks moneys and who is assigned to law enforcement in the department of fish, wildlife, and parks shall become a member of the retirement system when first becoming a state game warden. Except as provided in 19-8-302, all All state~~

game wardens ~~shall be~~ are members of the retirement system so long as they are actively employed in that capacity.

(2) A member with at least 10 years of membership service who terminates service and does not take a refund of the member's accumulated contributions is an inactive vested member and retains the right to purchase service and to receive a retirement benefit under the provisions of this chapter.

(3) A member with less than 10 years of membership service who terminates service and leaves the member's accumulated contributions in the pension trust fund is an inactive nonvested member and is not eligible for any benefits from the retirement system. An inactive nonvested member is eligible only for a refund of the member's accumulated contributions."

Section 160. Section 19-8-302, MCA, is amended to read:

~~"19-8-302. Ineligibility for public employees' retirement system -- transfer of membership. {1} After July 1, 1963, no new state employee appointed as a state game warden will be eligible for membership in the public employees' retirement system, and the provisions of The Public Employees' Retirement System Act will not apply to state game wardens;~~

~~{2}{1} A person who is a member of the retirement system assigned to law enforcement who transfers to a~~

position involving duties other than law enforcement in the department of fish, wildlife, and parks may retain membership in the retirement system by filing a written election of intent with the board no later than August--17 1977--or--no--later--than 30 days after transfer to the new position, whichever is later.

(2) A person who is a member of the public employees' retirement system who transfers to a position as a state game warden may elect to become a member of the retirement system or may continue membership in the public employees' retirement system by filing a written election of intent with the board no later than August-17--1977--or--no later--than 30 days after transfer to the new position, whichever is later."

Section 161. Section 19-8-501, MCA, is amended to read:

"19-8-501. Contributions to the retirement---account pension trust fund. The following shall must be paid to the board division and shall must be credited by--the--board to the account pension trust fund:

(1) all contributions by the state from department of fish, wildlife, and parks moneys money;

(2) all contributions by the state game wardens; and

(3) all interest on and increase of the investments and moneys money in the account pension trust fund."

Section 162. Section 19-8-502, MCA, is amended to read:

"19-8-502. **Member's contribution.** (1) Every member is required to contribute into the account pension trust fund a sum equal to 7.9% of his the member's monthly salary compensation, which sum shall must be deposited to his the member's credit in the account pension trust fund.

(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 that would be payable by the member under subsection (1) for service rendered after June 30, 1985.

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

(4) The member's contributions picked up by the employer must be payable from the same source as is used to pay compensation to the member and must be included in the member's wages as defined in 19-1-102 and his the member's compensation as used to define his the member's final average salary in 19-8-101. The employer shall deduct from the member's compensation an amount equal to the amount of

the member's contributions picked up by the employer and remit the total of the contributions to the board."

Section 163. Section 19-8-504, MCA, is amended to read:

"19-8-504. State's contribution. Each month the state treasurer shall pay to the account pension trust fund, out of the department of fish, wildlife, and parks moneys money, a sum equal to 7.15% of the total of all members' salaries, and out of the moneys money collected as fines and forfeited bonds under the provisions of 87-1-601(1) through (5) or moneys money distributed under 3-10-601(4), all such collections ~~are-statutorily-appropriated must be paid~~ to the account pension trust fund until the unfunded liability in the account pension trust fund is solvent paid and a verification statement to that effect is given to the state treasurer by the board."

Section 164. Section 19-8-304, MCA, is amended to read:

"19-8-304. Military Election to qualify military service. ~~(1)--A--state--game-warden-inducted-into-the-armed forces-of-the-United-States-has-the-option-to:~~

~~(a)--continue-his-payments-into-the-account;--or~~

~~(b)--allow-the-board-to-make-his-payments-for-him-during his-military-service;--in--which--event--he--must--repay--the account-the-full-amount-of-the-payments-within-2-years-after his-return-to-active-state-game-warden-status;~~

~~(2)--if--a--member--chooses--one--of--the--options--in~~

~~subsection-(1)--and-meets-its-requirements;--he-shall--receive credit--for--his--service--in-the-armed-forces-of-the-United States-as-if-it-were-service-as-a-state-game-warden;~~

~~(3)(1)~~ A member with 15 years or more of state service credit qualified under this chapter may, at any time prior to retirement, make a written election with the board to qualify all or any portion of his the member's active service in the armed forces of the United States for the purpose of calculating retirement benefits, up to a maximum of 5 years, if he the member is not otherwise eligible to receive credit for this service pursuant-to-subsections-(1) and-(2).

~~(4)(2)~~ To qualify this service he the member must shall contribute to the retirement pension trust fund the actuarial cost of granting the service, based on the most recent actuarial valuation of the system as determined by the board; ~~based-on-his-compensation-and-normal-contribution rate-as-of-his-16th-year-and-as-many-succeeding-years-as-are required--to--qualify--this--service;--with-interest-from-the date-he-becomes-eligible-for-this-benefit--to--the--date--he contributes.~~ He The member may not qualify more years of military service than he the member has years of creditable state service credits in excess of 15 years."

Section 165. Section 19-8-306, MCA, is amended to read:

"19-8-306. Qualification of service from other Montana

1 public retirement-systems service. (1) (a) A member may, at
 2 any time before his retirement, make a written election with
 3 the board to qualify all or any portion of his-creditable
 4 the member's service credit in the public employees',
 5 highway patrol officers', firefighters' unified, sheriffs',
 6 or municipal police officers' retirement system for which he
 7 the member has received a refund of his-membership the
 8 member's accumulated contributions. To qualify this service,
 9 he the member must shall contribute to the retirement
 10 pension trust fund the actuarial cost of granting the
 11 service in the game wardens' retirement system, as
 12 determined by the board, based on his-compensation-earned-as
 13 a--member--of--the-former-system-and-the-normal-contribution
 14 rate-according-to the most recent actuarial valuation of the
 15 system minus the employer contribution provided in
 16 subsection (1)(b). This service may not be credited in more
 17 than one retirement system under Title 19.

18 (b) Upon receiving the member's payment under
 19 subsection (1)(a), the administrator division shall transfer
 20 from the member's former retirement system to the game
 21 wardens' retirement system an amount equal to the employer
 22 contributions made during the member's service but no more
 23 than an amount equal to the normal contribution rate minus
 24 the employee contribution rate in the game wardens'
 25 retirement system, according to the most recent actuarial

1 valuation, based on the salaries earned by the employee as a
 2 member of the former system.

3 (2) (a) A member may, at any time before his
 4 retirement, make a written election with the board to
 5 qualify any full-time public service employment performed
 6 for the state or a political subdivision of the state. The
 7 member shall provide salary and employment documentation
 8 certified by his the member's public employer. The board may
 9 shall grant service credit subject to the-provisions-of
 10 19-8-201 rules adopted by the board upon contribution by the
 11 employee of the actuarial cost of granting this service in
 12 the game wardens' retirement system, as determined by the
 13 board, based on the-employee's--compensation--earned--during
 14 this--period--of--service--and--the-normal-contribution-rate
 15 according-to the most recent actuarial valuation of the
 16 system.

17 (b) The board is the sole authority under this
 18 subsection (2) in determining what constitutes full-time
 19 public service.

20 (c) This service may not be credited in more than one
 21 retirement system under Title 19."

22 **Section 166.** Section 19-8-307, MCA, is amended to read:
 23 "19-8-307. Service Employment in the United States
 24 government. (1) A state-game-warden member who is assigned
 25 to an agency of the United States government under Title IV,

the Intergovernmental Personnel Act of 1970, may qualify such the federal service employment in the game--wardens' retirement system under subsection (2) of this section, provided that:

(a) the warden member has accumulated at least 5 years of membership service in--the--game--wardens'--retirement system; and

(b) the warden member returns to full-time service covered-by-the-game-wardens'--retirement-system for at least 1 year after completing service employment in the United States government.

(2) A state-game-warden member who is assigned to an agency of the United States government has the option to:

(a) continue his the member's payments into the account pension trust fund; or

(b) qualify--this-service-by-paying pay an amount equal to the normal employer and employee contributions plus interest within 2 years after his the member's return to active state game warden status.

(3) Salary Compensation earned while on assignment to an agency of the United States government must be considered salary compensation for purposes of the game--wardens' retirement system and may be included in the determination of final average salary as--defined--in--19-8-101, provided that the final average salary cannot exceed 100% of the

warden's member's highest annual-salary monthly compensation earned as a state game warden."

Section 167. Section 19-8-601, MCA, is amended to read:

"19-8-601. Time of retirement -- commencement of allowance benefit. (1) Any member in service who has completed at least 20 years of creditable membership service, reached the age of 50 years, and terminated covered employment service may retire on with a service retirement allowance benefit upon written application to the board.

(2) (a) Except as provided in subsection (2)(b), the retirement allowance benefit may commence on the first day of the month following the member's last day of covered employment service or, if requested by the terminated inactive member in writing, on the first day of the month following receipt of the written application.

(b) The retirement allowance benefit for an eligible terminated inactive member must commence no later than the first day of the month following the member's 60th birthday."

Section 168. Section 19-8-603, MCA, is amended to read:

"19-8-603. Service retirement allowance benefit. (1) Upon--retirement--from--service,--the The service retirement allowance-consists-of-the-state-annuity--plus--the--member's annuity-

(2)--Except--as--provided-in-19-8-8167--the-amount-of-the

retirement-allowance-must benefit is equal to 2% of the member's final average salary for each year of creditable service credit."

Section 169. Section 19-8-604, MCA, is amended to read:

"19-8-604. Involuntary Early retirement allowance benefit. If a contributor member is involuntarily discontinued from service after having completed 10 years of total membership service but before reaching retirement age, he the member shall must, upon filing a written application with the board, be paid in one of the following ways that he elects:

(1) ~~the full amount of his accumulated deductions; or~~

(2) a retirement allowance benefit beginning on his the member's 55th birthday calculated under the provisions of 19-8-603."

Section 170. Section 19-8-701, MCA, is amended to read:

"19-8-701. Disability retirement allowance benefit. (1) ~~If the total disability of a contributor is permanent in character, regardless of length of service of the contributor, a disability retirement allowance~~ A member who is determined by the board to be disabled shall must be granted ~~the contributor a disability retirement benefit~~ in an amount calculated on the actuarial equivalent of the ~~member's annuity and the state annuity~~ service retirement benefit standing to his the member's credit at the time of

his the member's disability retirement ~~except as provided in 19-8-816~~.

(2) If the total disability is a direct result of any service to the department of fish, wildlife, and parks in line of duty and the contributor member has had ~~over at least~~ 10 years of membership service, the state game warden member who is ~~totally and permanently disabled shall must~~ be retired on total a disability retirement allowance benefit of one-half of his the member's final average salary ~~except as provided in 19-8-816~~."

Section 171. Section 19-8-712, MCA, is amended to read:

"19-8-712. Medical examination of disability retiree -- cancellation of allowance benefit. (1) The board, in its discretion, may require the recipient of a disability retirement allowance benefit to undergo a medical examination. The examination must be made by a physician or surgeon at the recipient's place of residence or at another place mutually agreed on, at the board's expense. Upon the basis of the examination, the board shall determine, by reason of physical or mental capacity, whether the recipient can perform the duties of the position held by him the recipient when he the recipient retired. If the board determines that the recipient is not incapacitated, his the recipient's disability retirement allowance benefit must be canceled when he the recipient is offered a position under

subsection (3). If the recipient refuses to submit to a medical examination, his the recipient's disability retirement allowance benefit must be canceled when he the recipient is notified of the determination of the board.

(2) If the board determines that a recipient of a disability retirement allowance benefit should no longer be subject to medical review, the board may grant a service retirement status to the recipient without recalculating his the recipient's monthly allowance benefit. The board shall notify the recipient in writing as to the change in status. If the recipient disagrees with the board's determination, he the recipient may request the board to reconsider its action. The request for reconsideration must be made in writing within 60 days after receipt of the notice of the status change.

(3) A recipient whose disability retirement allowance benefit is canceled because the board has determined that he the recipient is no longer incapacitated must be reinstated to the position held by him the recipient immediately before his the recipient's retirement or to a position in the same classification within his the recipient's capacity, whichever is first open. The fact that he the recipient was retired for disability may not prejudice any right to reinstatement to duty that he the recipient may have or claim to have.

(4) The department of fish, wildlife, and parks may request a medical or psychological review as to the ability of the recipient to return to work as a game warden. If the board's findings are upheld, the department of fish, wildlife, and parks shall pay the cost of the review."

Section 172. Section 19-8-703, MCA, is amended to read:

"19-8-703. Payments Benefits upon employment-related death. If the board finds that a contributor member died as a direct and proximate result of injury received in the course of his-employment the member's service, a retirement allowance monthly survivorship benefit shall must be paid to his the member's designated beneficiary,--consisting-of:

(1)--a--member's--annuity---which---is---the---actuarial equivalent-of-the-contributor's-accumulated-deductions,--and

(2)--a--state--annuity-which,--when-added-to-the-member's annuity,--will--provide-a-total-annuity equal to 50% of the final average salary of the contributor,--except-as-provided in--19-8-816,--less--the--amount--which--is--paid---to---the beneficiary-under-the-Workers'-Compensation-Act-of-the-state of--Montana--during--the-period-such-compensation-is-paid-or payable member."

Section 173. Section 19-8-704, MCA, is amended to read:

"19-8-704. Payments--upon--death--from---other---causes Postretirement death payments. (1) If a retired state-game warden member who has not chosen an optional retirement

1 benefit under 19-8-801 dies before receiving in-payments an
 2 amount equal to the present value of his--member's--annuity
 3 and--the--state--annuity the member's service retirement
 4 benefit under 19-8-603 as it was at the time of his the
 5 member's retirement, the balance shall must be paid to his
 6 the member's designated beneficiary in a lump-sum payment.
 7 At the option of the designated beneficiary, the lump-sum
 8 payment may be annuitized and paid over the beneficiary's
 9 lifetime; however, the payment is not a benefit subject to
 10 increases.

11 {2}--if--a--member--dies-before-reaching-retirement-age,
 12 his--beneficiary--shall--be--entitled--to--the--actuarial
 13 equivalent-of-the-options-as-provided-in-19-8-604."

14 **NEW SECTION. Section 174.** Nonduty-related death of
 15 active member. If a member dies before reaching retirement
 16 age, the member's designated beneficiary may choose either a
 17 lump-sum refund of the member's accumulated contributions or
 18 the actuarial equivalent of the early retirement benefit as
 19 provided in 19-8-604.

20 **Section 175.** Section 19-8-801, MCA, is amended to read:
 21 "19-8-801. Optional retirement---allowance forms of
 22 benefits. (1) A The retirement benefit of a member or the
 23 survivorship benefit of a designated beneficiary may elect
 24 one-of-the who so elects must be converted in lieu of all
 25 other benefits under this chapter into an optional

1 retirement allowances-set-forth-in--subsection--{2}--at--any
 2 time--before--the-first-payment-on-account-of-any-retirement
 3 allowance-is-made-if-a-member--dies--after--retirement--and
 4 within--30--days--from--the--date-upon-which-his-election-or
 5 changed-election-was-received-by-the-board; the election--is
 6 void--and--the--death-will-be-considered-as-that-of-a-member
 7 before-retirement;

8 {2}--A-member-or-beneficiary-may-elect-or,-prior-to--the
 9 approval-of-a-previous-election,-revoke-or-change-a-previous
 10 election--and--elect--to-receive-the-actuarial-equivalent-of
 11 his-retirement-allowance-as-of-the-date-of-retirement--in--a
 12 lesser-retirement-allowance-payable-throughout-life-with-one
 13 of--the--following--options: benefit that is the actuarial
 14 equivalent of the original benefit. The optional retirement
 15 benefit is initially payable during the member's or
 16 designated beneficiary's lifetime with a subsequent benefit
 17 to the contingent annuitant that the member or designated
 18 beneficiary nominated by written designation, executed and
 19 filed with the board on the application for benefits, as
 20 follows:

21 (a) Option 2--upon-his--death,-his--lesser--retirement
 22 allowance--will-be-continued-throughout-the-life-of-and-paid
 23 to-the-person-that-he-nominated-by-written-designation,-duly
 24 executed-and-filed--with--the--board--at--the--time--of--his
 25 retirement; a continuation of the reduced amount after the

death of the initial payee and payable during the lifetime of the named contingent annuitant;

(b) Option 3--upon---his---death, a continuation of one-half of his--lesser--retirement--allowance---will---be continued-throughout-the-life-of-and-paid-to-the-person-that he-nominated-by-written-designation, duly-executed-and-filed with--the--board--at-the-time-of-his-retirement; the reduced amount after the death of the initial payee and payable during the lifetime of the named contingent annuitant;

(c) Option 4--such upon the initial payee's death, other benefits-will-be-paid, either-to-the-beneficiary-or-to any--other--person--that--he-nominated, as-together-with-the lesser-retirement-allowance-are-the-actuarial-equivalent--of his---retirement---allowance---and---have--been actuarially equivalent amounts as may be approved by the board.

(2) Election of an optional retirement benefit must be by written application filed prior to the first payment of the benefit.

(3) If a benefit recipient or the recipient's contingent annuitant dies before the first payment has been made under option 2 or 3, the election of the option is automatically canceled.

(4) If the member dies after retirement and within 30 days from the date the member's election or changed election of an optional retirement benefit is received by the board,

the election is void and the death is considered as that of a member before retirement."

Section 176. Section 19-8-808, MCA, is amended to read:

"19-8-808. Eligibility for postretirement adjustment.

(1) Except as provided in subsection (2), a member-or beneficiary benefit recipient is eligible to receive a postretirement adjustment as provided in 19-8-810 if he the recipient is receiving a:

(a) service retirement allowance benefit and is 55 years of age or older on or before June 30 in the year that the postretirement adjustment is made; or

(b) disability or survivorship allowance benefit.

(2) A member--or--beneficiary benefit recipient is ineligible to receive a postretirement adjustment under subsection (1) unless he-has-been-receiving--a the monthly service, disability, or survivorship allowance benefit has been paid for at least 24 consecutive months on or before June 30 in the year the adjustment is made."

Section 177. Section 19-8-809, MCA, is amended to read:

"19-8-809. Funding for postretirement adjustment -- reserve fund. (1) At the end of each fiscal year, the board shall determine the total investment income earned on the retirement pension trust fund for that fiscal year. From this amount, the board shall subtract the:

(a) actuarial amount required to fund the retirement

1 system for the fiscal year; and

2 (b) retirement system's administrative and investment
3 expenses for the fiscal year.

4 (2) (a) From the remainder obtained in subsection (1),
5 the board shall calculate the amount of investment income
6 earned on that portion of the retirement pension trust fund
7 balance representing retired members.

8 (b) The board shall deposit the amount calculated in
9 subsection (2)(a) in a reserve fund.

10 (3) Subject to the restrictions contained in
11 subsections (4) and (5), the board shall annually use 90% of
12 the amount in the reserve fund provided for in subsection
13 (2)(b) to pay a postretirement adjustment to eligible
14 ~~members-or-beneficiaries~~ benefit recipients under 19-8-810.

15 (4) If the amount in the reserve fund is insufficient
16 to provide an average monthly postretirement adjustment of
17 at least \$1 under 19-8-810, an adjustment may not be made in
18 that calendar year.

19 (5) The amount available for payment of the
20 postretirement ~~allowance~~ adjustment is limited to an amount
21 that would provide a percentage increase in the average
22 service, disability, or survivorship ~~allowance~~ benefit of
23 all eligible ~~members~~ benefit recipients, when combined with
24 the postretirement adjustment, that is equal to or less than
25 the percentage increase for the previous calendar year in

1 the annual average consumer price index for urban wage
2 earners and workers compiled by the bureau of labor
3 statistics, United States department of labor, or its
4 successor agency."

5 **Section 178.** Section 19-8-810, MCA, is amended to read:

6 "19-8-810. Payment and amount of postretirement
7 adjustment. (1) Effective January 1 of each year that funds
8 are available under 19-8-809, a ~~member--or--beneficiary~~
9 benefit recipient eligible under 19-8-808 shall must receive
10 a postretirement adjustment in the form of a monthly benefit
11 payable for life.

12 (2) The board shall calculate the amount of the
13 postretirement ~~allowance~~ adjustment payable to an eligible
14 ~~member-or-beneficiary~~ benefit recipient by:

15 (a) dividing the amount available under 19-8-809(3) for
16 payment of the postretirement ~~allowance~~ adjustment by the
17 total accumulated years of service credit for all eligible
18 ~~members-and-beneficiaries~~ benefit recipients;

19 (b) multiplying the quotient obtained in subsection
20 (2)(a) by the ~~member's~~ individual eligible benefit
21 recipient's total-years-of service credits;

22 (c) dividing the product obtained in subsection (2)(b)
23 by a factor for calculating a monthly annuity from actuarial
24 tables adopted by the board; and

25 (d) applying the provisions contained in subsections

(3) and (4).

(3) If a member had elected to receive an optional retirement allowance benefit, the amount of his the member's postretirement allowance adjustment must be adjusted by the appropriate optional factor.

(4) If more than one beneficiary contingent annuitant is receiving a member's retirement allowance benefit, the postretirement adjustment must be divided in the same manner as the member's retirement allowance benefit."

Section 179. Section 19-8-816, MCA, is amended to read:

"19-8-816. Minimum monthly retirement----allowance benefit. (1) The following members who retired before July 1, 1989, or and their contingent annuitants or their designated beneficiaries receiving monthly survivorship benefits are eligible to receive a minimum monthly retirement-allowance benefit as provided in subsection (2):

(a) a member who is 55 years of age or older and who is receiving a service retirement allowance benefit, unless he the member is employed in a position covered by a retirement system under Title 19, chapters 3 through 13;

(b) a member who is receiving a disability retirement allowance benefit; and

(c) a designated beneficiary receiving a survivorship allowance benefit or a contingent annuitant receiving a service or disability retirement benefit.

(2) (a) Except as provided in subsection (2)(b), on July 1, 1989, the monthly retirement-allowance benefit of a member benefit recipient eligible under subsection (1) may not be less than 2% of a probationary state game warden's base salary compensation on July 1, 1989, for each year of the member's creditable service credits.

(b) A monthly retirement allowance benefit increased under subsection (2)(a) may not exceed 60% of a probationary state game warden's base salary compensation on July 1, 1989."

Section 180. Section 19-9-103, MCA, is amended to read:

"19-9-103. Municipal police officers' retirement system established. A municipal police officers' retirement system is established, and--shall--be which is governed by the provisions of [sections 1 through 42] and this chapter."

Section 181. Section 19-9-104, MCA, is amended to read:

"19-9-104. Definitions. Unless the context requires otherwise, the following definitions apply in this chapter:

{1}--"Administrator"---means---the---public---employees' retirement-division-of-the-department-of-administration--

{2}--"Base---salary"---means--the--sum--of--the--monthly compensations-for-each-month-in-a-given-calendar-year--

{3}--"Board"--means-the--retirement--board--described--in 2-15-1889--

{4}--"Credited---service"---means--the--aggregate--of--a

1 member's prior service and membership service.

2 {5}--"Death benefit" means a monthly annuity paid to a
3 surviving spouse or dependent child or a lump sum payment
4 made to a beneficiary on behalf of a member who dies before
5 retirement.

6 (1) "Compensation" means the remuneration, excluding
7 overtime, holiday payments, shift differential payments,
8 compensation time payments, and payments in lieu of sick
9 leave and annual leave, that a member receives as an active
10 police officer.

11 {6}(2) "Dependent child" means a child of a deceased
12 member:

13 (a) who is unmarried and under 18 years of age; or

14 (b) who is unmarried, under 24 years of age, and
15 attending an accredited postsecondary educational
16 institution as a full-time student in anticipation of
17 receiving a certificate or degree.

18 {7}(3) "Employer" means any city which that
19 participated in a prior plan or which that elects to join
20 this plan retirement system under 19-9-107.

21 {8}--"Employer annuity" means monthly payments for life
22 derived from employer and state contributions.

23 {9}(4) "Final average salary compensation" means the
24 monthly compensation of a member, averaged over the last 36
25 months of his active service or, in the event he a member

1 has not been a member that long, over the period of his
2 membership.

3 {10}--"Fund" means the pension trust fund in the treasury
4 system designated for the use of the plan.

5 {11}--"Member" means a person who is employed by an
6 employer as a police officer or who is entitled to a
7 retirement allowance by virtue of his service to an employer
8 as a police officer.

9 {12}--"Member contributions" means the total of the
10 deductions from the compensation of a member, either made
11 during a period of active membership hereunder or made under
12 a prior plan and transferred to this plan standing to his
13 credit together with the interest thereon.

14 {13}--"Member's annuity" means monthly payments for life
15 derived from member contributions.

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

24 {15}(5) "Minimum retirement date" means the first day
25 of the month coinciding with or, if none coincides, the date

on which a member both becomes age 50 and completes 10 years of qualified membership service.

{16}-"Monthly--compensation"--means--the--wage--excluding overtime--holiday--payments--shift--differential--payments, compensation--time--payments--and--payments--in--lieu--of--sick leave--and--annual--leave--a--member--receives--as--an--active police officer.

{17}(6) Any reference to "municipality", "city", or "town" includes those jurisdictions which that, prior to the effective date of a county-municipal consolidation, were incorporated municipalities, subsequent districts created for urban law enforcement services, or the entire county included in the county-municipal consolidation.

{18}-"Normal--retirement--date"--means--the--first--day--of--the month--coinciding--with--or--if--none--coincides--the--date--on which--a--member--completes--20--or--more--years--of--qualified service--and--has--terminated--employment--as--a--police--officer.

{19}-"Plan"--means--the--municipal--police--officers' retirement--system--created--by--this--chapter.

{20}-"Police--officer"--means--a--law--enforcement--officer employed--by--an--employer.

{21}(7) "Prior plan" means the local police reserve or retirement pension trust fund of a city which that elects to join the plan retirement system under 19-9-107 or the statewide police reserve fund administered by the department

of--administration--in--accordance--with--Chapter--335--laws--of 1974.

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

{23}-"Qualified--service"--means--credited--service--plus--any service--purchased--under--the--provisions--of--part--4--of--this chapter.

{24}-"Retirement--allowance"--means--the--employer--annuity plus--the--member's--annuity.

{25}(8) "Retirement date" means the date on which the first payment of the retirement, disability, or survivor survivorship benefits of a member or a beneficiary survivor is payable.

{26}(9) "Surviving spouse" means the spouse married to a member at the time of the member's death.

(10) "Survivor" means a surviving spouse or dependent child of the member.

{27}-"Totally--and--permanently--disabled"--means--that--the board--upon--certification--by--a--licensed--and--practicing physician--has--determined--that--a--member's--disability--is--of such--a--nature--as--to--permanently--impair--his--ability--to discharge--his--normal--duties--as--a--police--officer."

Section 182. Section 19-9-105, MCA, is amended to read:

"19-9-105. Transfer of assets and liabilities from

1 prior plans. All funds and obligations constituting the
 2 assets and liabilities of prior plans, regardless of their
 3 form or who holds them, shall must be transferred to the
 4 ~~account-provided-for-in-19-9-501~~ pension trust fund. The
 5 ~~board--shall-ascertain-the-amounts-to-be-apportioned-to-each~~
 6 ~~account-on-April-19-1977-and--the--state--treasurer--shall~~
 7 ~~transfer-such-amounts-to-the-appropriate-accounts-on-July-17~~
 8 ~~1977-~~"

9 **Section 183.** Section 19-9-106, MCA, is amended to read:

10 "19-9-106. Effect on members of prior plans. (1) All
 11 provisions of this plan retirement system are effective as
 12 to a member whose retirement date occurred prior to July 1,
 13 1977, except that the amount and mode of payment of such the
 14 member's retirement allowance benefit ~~will~~ must remain
 15 unchanged.

16 (2) This chapter may not decrease the benefits of a
 17 member under a prior plan."

18 **Section 184.** Section 19-9-107, MCA, is amended to read:

19 "19-9-107. Election to join plan retirement system --
 20 transfer of assets. (1) Cities other than those
 21 participating in the statewide police reserve fund
 22 administered by the ~~department-of--administration~~ board in
 23 accordance with Chapter 335, Laws of 1974, as of June 30,
 24 1977, may elect to join the plan retirement system by
 25 passing an ordinance stating the election and the consent of

1 the city to be bound by the provisions of this chapter
 2 retirement system. Upon the enactment of such an ordinance,
 3 the provisions of this chapter retirement system become
 4 applicable to the city. Any city enacting such an election
 5 ordinance shall send a certified copy thereof of the
 6 ordinance to the board and shall, as soon as possible
 7 thereafter, deposit ~~with-the-board~~ all cash and securities
 8 held by it in its local police reserve or retirement fund
 9 into the municipal police officers' pension trust fund. The
 10 value of the securities shall must be determined by the
 11 board.

12 (2) The trustees or other administrative head of the
 13 local system plan as of the effective date of the election
 14 shall certify the proportion, if any, of the funds of the
 15 system plan that represents the accumulated contributions of
 16 the active members and the relative shares of the members as
 17 of that date. ~~Such~~ The shares shall must be charged to the
 18 employer and credited to the respective ~~individual--accounts~~
 19 ~~of---the~~ members in the plan retirement system and
 20 administered as if the contributions had been made during
 21 membership in the plan retirement system. Any excess of
 22 employer credits over charges under this section ~~will~~ must
 23 be offset, with interest, against future required employer
 24 contributions for a period determined by the administrator
 25 board. Any excess of employer charges over credits under

1 this section are payable by the employer, with interest, for
2 a period of 10 years or less as determined by the
3 administrator board."

4 **Section 185.** Section 19-9-503, MCA, is amended to read:

5 "19-9-503. Unfunded liabilities. (1) It is found and
6 declared by the legislature that many cities operating under
7 prior plans have excess and unfunded liabilities under such
8 prior plans, which liabilities cannot be amortized by the
9 percentage contributions set forth in 19-9-702 and 19-9-703.

10 (2) The administrator shall, on or before October 1,
11 1977, determine the excess and unfunded liability of each
12 city which participates in the plan created by this chapter.
13 The determination of the administrator, in the absence of
14 fraud, abuse of discretion, or arithmetic error, is final
15 and binding on each city. Each city found by the
16 administrator to have an excess and unfunded liability under
17 a prior plan which as of July 1, 1977, is not funded by sums
18 on deposit or funds available for deposit with the
19 administrator shall pay an additional sum over a period of
20 time to amortize its excess liability as determined by the
21 administrator. If any city and the administrator are unable
22 by January 1, 1980, to negotiate and reduce to writing the
23 terms of an agreement satisfactory to both of them for the
24 city to amortize its excess liability, the administrator
25 shall require such city to pay an additional sum to amortize

1 its excess liability on July 1, 1977, over a period of not
2 more than 40 years.

3 (3) Each city found by the administrator to be paying
4 an amount in excess of the amount necessary to amortize its
5 liabilities under the prior plan and under this chapter
6 shall receive a credit in the accounts of the administrator
7 for any such excess payments.

8 (4) The excess unfunded liability for each city shall
9 be revaluated by the administrator on July 1, 1980, as part
10 of the normal actuarial valuations required in 19-9-504
11 reflecting the change in the contribution rates made in
12 19-9-601, 19-9-702, and 19-9-703, as amended by Chapter 375,
13 Laws of 1979, and each city's funding position will be
14 changed using the procedures of 19-9-107. The resulting
15 report will be made available to the cities no later than
16 October 1, 1980.

17 (5) If a majority of the cities participating in the
18 municipal police officers' retirement system do not agree
19 with the results of the revaluation outlined in subsection
20 (4), they may, by mutual agreement of the cities, select a
21 qualified actuary, as defined in 19-9-504, to perform a
22 second actuarial valuation as of July 1, 1980, with the
23 conclusions of the second actuarial valuation to replace the
24 actuarial valuation discussed in subsection (4). The cost of
25 the second actuarial valuation shall be paid by all cities

participating--in--the--system--in--proportion--to--their--active
membership--in--the--system--as--of--July--17--1988;

{6}{a} On--April--17--1983, the--administrator--shall
revalue--the--excess--unfunded--liability--for--each--city--based
on--the--actuarial--valuation--required--in--19-9-504--for--the
period--ended--June--30--1982,--Each--city--with--an--excess
unfunded--liability--as--of--June--30--1982,--shall--pay--25%--of
this--excess--unfunded--liability,--with--interest,--in--10--annual
installments,--the--first--payment--due--May--17--1983,--and
subsequent--payments--due--May--1--of--each--year--thereafter,--with
the--final--payment--due--May--17--1992;

{b}--Credits--received--by--a--city--following--the
revaluation--required--in--subsection--{6}{a}--must--be--reduced
proportionately--over--a--10--year--period--beginning--July--17
1983;

{c}{1} On--July--17--1993, Each each city shall pay the
employer contribution rate specified in 19-9-703 without
credit reduction, except for a city joining the plan
retirement system after June 30, 1982. A city joining the
plan retirement system after June 30, 1982, is subject to
the provisions of 19-9-107.

{7}{2} If a city is required to make payments on or
after July 1, 1985, to amortize its excess and unfunded
liability under a prior plan, these payments must be made by
the state auditor from the premium taxes on insurance risks

enumerated in 19-11-512.

{8}{3} Subject to judicial review, the board is the
determining body as to the interpretation and application of
this section."

Section 186. Section 19-9-301, MCA, is amended to read:

"19-9-301. Active membership -- inactive vested member
-- inactive nonvested member. (1) A police officer becomes
an active member under the plan of the retirement system:

(a) on the date his employment by the police officer's
service with an employer commences;

(b) on July 1, 1977, if he the police officer is
employed by an employer on that date; or

(c) in the case of an employer which that elects to
join the plan retirement system as provided in 19-9-107, on
the effective date of such the election if he the police
officer is employed by the employer on that date.

(2) Upon becoming eligible for membership, he the
police officer shall complete such the forms and furnish
such the proof as may be required by the board.

(3) A member becomes an inactive member on the first
day of an approved absence from service of a substantial
duration.

(4) A member with at least 10 years of membership
service who terminates service and does not take a refund of
the member's accumulated contributions is an inactive vested

1 member and retains the right to purchase service and to
 2 receive a retirement benefit under the provisions of this
 3 chapter.

4 (5) A member with less than 10 years of membership
 5 service who terminates service and leaves the member's
 6 accumulated contributions in the pension trust fund is an
 7 inactive nonvested member and is not eligible for any
 8 benefits from the retirement system. An inactive nonvested
 9 member is eligible only for a refund of the member's
 10 accumulated contributions."

11 **Section 187.** Section 19-9-601, MCA, is amended to read:

12 "19-9-601. **Member contributions.** (1) The normal regular
 13 contribution of each active member first employed by an
 14 employer on or before June 30, 1975, is 6% of his-monthly
 15 the member's compensation. In the case of a member first
 16 employed by an employer as a police officer after June 30,
 17 1975, the contribution is 7.2% of his-monthly the member's
 18 compensation. In the case of a member first employed by an
 19 employer as a police officer after June 30, 1979, the
 20 contribution is 8.7% of his---monthly the member's
 21 compensation. Compensation---excludes---overtime---payments,
 22 holiday---payments, shift-differential-payments, compensation
 23 time-payments, and payments-in-lieu-of-sick-leave-and-annual
 24 leave, for his-services-as-a-police-officer:

25 (2) Each employer, pursuant to section 414(h)(2) of the

1 federal Internal Revenue Code of 1954, as amended and
 2 applicable on July 1, 1985, shall pick up and pay the
 3 contributions which that would be payable by the member
 4 under subsection (1) for service rendered after June 30,
 5 1985.

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

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

22 **Section 188.** Section 19-9-702, MCA, is amended to read:

23 "19-9-702. **State contribution.** The state of Montana
 24 shall make its contributions through the state auditor out
 25 of the premium tax on motor vehicle property and casualty

1 insurance policies, which premium tax is statutory
 2 appropriated, as provided in 17-7-502, for the
 3 contributions. Such The payments shall must be made annually
 4 after the end of each fiscal year but no later than
 5 September November 1 from the gross premium tax after
 6 deduction for cancellations and returned premiums. The
 7 administrator division shall notify the auditor by April
 8 September 1 of each fiscal year of the annual compensation
 9 paid to all active members during the preceding fiscal year.
 10 The state's contribution is:

11 {1} 14.04% of compensation paid to members before July
 12 17-1985;

13 {2} 15.06% of compensation paid to members from July 17
 14 1985 through June 30, 1991; and

15 {3} 15.66% of compensation paid to members after July
 16 17-1991."

17 **Section 189.** Section 19-9-703, MCA, is amended to read:

18 "19-9-703. **Employer contribution.** Each employer shall
 19 make its contribution on behalf of members through the city
 20 treasurer or other appropriate official out of moneys money
 21 available to the city for such that purpose. The employer's
 22 contribution, which must be paid monthly to the
 23 administrator division, is:

24 {1} 14.04% of the total monthly compensation paid to
 25 all active members during the preceding month before July 17

1 1985;

2 {2} 13.02% of the total monthly compensation paid to
 3 all active members during the preceding month from July 17
 4 1985 through June 30, 1991; and

5 {3} 13.92% of the total monthly compensation paid to
 6 all active members during the preceding month after July 17
 7 1991."

8 **Section 190.** Section 19-9-705, MCA, is amended to read:

9 "19-9-705. Other moneys money credited as employer
 10 contributions. All gifts, bequests, or emoluments given to
 11 an employer or member for the benefit of the plan retirement
 12 system or because of any member's service as a police
 13 officer, except when specifically allowed to be retained by
 14 the member by his the member's employer, and all moneys
 15 money withheld from the monthly compensation of a member for
 16 violation of the rules of his the member's employer shall
 17 must be paid to the administrator pension trust fund. The
 18 administrator shall credit them to the fund and, as soon as
 19 practicable after their receipt, deposit them with the state
 20 treasurer. Such The amounts are employer contributions but
 21 are in addition to the amounts required by 19-9-703."

22 **Section 191.** Section 19-9-706, MCA, is amended to read:

23 "19-9-706. Contributions based on total compensation
 24 when member receives disability compensation. {1} When an
 25 officer a member receives compensation from both the

member's employer and as benefits from the workers' compensation program under the provisions of 7-32-4132, the member's compensation reported by the employer is the same as if the member was in active service, and the member, employer, and state retirement contributions for--retirement required under--19-9-601 by this chapter will must be calculated and paid on the that total compensation received under-7-32-4132-and-the-employer-contribution--paid--by--the municipalities--under--19-9-703--and--the-state-contribution under-19-9-702-shall-include-as-part-of-the-salaries-paid-to police-officers-all-compensation-received--under--7-32-4132. The service represented by these contributions will must be credited in the same manner as provided in 19-9-401.

{2}--When-an-injured-officer-accepts--a--transfer--under 7-32-4136--to--a--nonpolice-position-within-the-municipality covered--under--19-3-401,--all--service--and--contributions previously--credited--with--the--municipal--police-officers' retirement-system-shall-be-transferred--from--the--municipal police--officers'-retirement-system-pension-trust-fund-along with-the-interest-to-the-public-employees'-retirement-system pension-trust-fund. The-employer-contributions-and--interest transferred-will-be-equal-to-the-amount-that-would-have-been contributed--had--the--transferred--service--been--normal employment-covered-under-the--public--employees'-retirement system."

Section 192. Section 19-9-401, MCA, is amended to read:

"19-9-401. Credited---service Service credit to be cumulative. A member is entitled to benefits based upon the entire--period--of--his--credited the member's total service credits and final average salary compensation without regard to the number of employers by whom he the member was employed or the number of periods of his-employment the member's service so that no a duplication of credited service credit occurs does not occur."

Section 193. Section 19-9-403, MCA, is amended to read:

"19-9-403. Election to qualify previous military service. (1) A member with 15 years or more of service credit may, at any time prior to his retirement, make a written election with the board to qualify all--or--any portion--of--his up to a maximum of 5 years of the member's active duty service in the armed forces of the United States for the purpose of calculating retirement benefits, up-to--a maximum--of--5--years, if he the member is not otherwise eligible to receive credit. To qualify this service he the member must shall contribute to the account pension trust fund the actuarial cost of granting the service to be determined by the board based on his-compensation-and-normal contribution-rate-as-of-his-16th-year-and-as-many-succeeding years-as-are-required-to-qualify-this-service, with-interest from--the--date--he-becomes-eligible-for-this-benefit-to-the

1 ~~date-he-contributes~~ the most recent actuarial valuation of
 2 the system. He The member may not qualify more of his the
 3 member's military service than he the member has service
 4 credit in excess of 15 years.

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

17 **Section 194.** Section 19-9-405, MCA, is amended to read:

18 "19-9-405. Qualification of service-from other Montana
 19 public retirement-systems service. (1) (a) A member may, at
 20 any time before his retirement, make a written election with
 21 the board to qualify all or any portion of his--creditable
 22 the member's service credit in the public employees',
 23 highway patrol officers', firefighters' unified, sheriffs',
 24 or game wardens' retirement system for which he the member
 25 has received a refund of his--membership the member's

1 accumulated contributions. To qualify this service, he the
 2 member must shall contribute to the retirement pension trust
 3 fund the actuarial cost of granting the service in the
 4 municipal police officers' retirement system, as determined
 5 by the board, based on his-compensation-earned-as-a--member
 6 of--the--former--system--and--the--normal--contribution-rate
 7 according-to the most recent actuarial valuation minus the
 8 employer contribution provided in subsection (1)(b). This
 9 service may not be credited in more than one retirement
 10 system under Title 19.

11 (b) Upon receiving the member's payment under
 12 subsection (1)(a), the administrator division shall transfer
 13 from the member's former retirement system to the municipal
 14 police officers' retirement system an amount equal to the
 15 employer contributions made during the member's service but
 16 no more than an amount equal to the normal regular
 17 contribution rate minus the employee contribution rate in
 18 the municipal police officers' retirement system, according
 19 to the most recent actuarial valuation, based on the
 20 salaries earned by the employee as a member of the former
 21 system.

22 (2) (a) A member may, at any time before his
 23 retirement, make a written election with the board to
 24 qualify any full-time public service employment performed
 25 for the state or a political subdivision of the state. The

1 member shall provide salary and employment documentation
 2 certified by ~~his~~ the member's public employer. The board ~~may~~
 3 shall grant service credit subject to the-provisions-of
 4 ~~19-9-201~~ rules adopted by the board upon contribution by the
 5 employee of the actuarial cost of granting this service in
 6 the municipal police officers' retirement system, as
 7 determined by the board, based on the employee's
 8 compensation earned during this period of service and the
 9 ~~normal~~ regular contribution rate according to the most
 10 recent actuarial valuation of the system.

11 (b) The board is the sole authority under this
 12 subsection (2) in determining what constitutes full-time
 13 public service.

14 (c) This service may not be credited in more than one
 15 retirement system under Title 19."

16 NEW SECTION. **Section 195.** Transfer to public
 17 employees' retirement system. When an injured nonvested
 18 member accepts a transfer under 7-32-4136 to a nonpolice
 19 position within the municipality covered under the public
 20 employees' retirement system, all service and contributions
 21 previously credited with the municipal police officers'
 22 retirement system must be transferred from the municipal
 23 police officers' retirement system pension trust fund along
 24 with the interest to the public employees' retirement system
 25 pension trust fund. The employer contributions and interest

1 transferred must be equal to the amount that would have been
 2 contributed if the transferred service had been normal
 3 employment covered under the public employees' retirement
 4 system.

5 **Section 196.** Section 19-9-801, MCA, is amended to read:

6 "19-9-801. Eligibility for service retirement --
 7 commencement of allowance benefit. (1) Members are eligible
 8 for retirement and--shall--retire as provided in this
 9 section:.

10 ~~(1)(2)~~ A member employed--by--an-employer-as-a-police
 11 officer is eligible to receive a service retirement
 12 allowance benefit when he the member has completed 20 years
 13 or more of qualified membership service and has terminated
 14 covered-employment service.

15 ~~(2)(3)~~ A member who terminates employment-as-a-police
 16 officer-with-an-employer service after completing at least
 17 10 years of qualified membership service but prior to
 18 completing 20 years of qualified membership service is
 19 eligible to receive a service retirement allowance benefit
 20 when he the member has reached 50 years of age.

21 ~~(3)(4)~~ (a) Except as provided in subsection ~~(3)(b)~~
 22 (4)(b), the retirement allowance benefit may commence on the
 23 first day of the month following the member's minimum
 24 retirement date or, if requested by the terminated inactive
 25 member in writing, on the first day of the month following

1 receipt of the written application.

2 (b) The retirement allowance benefit for an eligible
3 terminated inactive member must commence no later than the
4 first day of the month following the member's 55th
5 birthday."

6 **Section 197.** Section 19-9-804, MCA, is amended to read:

7 "19-9-804. Amount of service retirement allowance
8 benefit -- continuation of allowance benefit after death of
9 member. (1) A police-officer member with at least 20 years
10 of qualified membership service who--is--eligible--under
11 19-9-801--and--does--not--elect--to--serve--any--additional--years--as
12 an--active--police--officer--shall must receive a service
13 retirement allowance benefit equal to one-half--his--final
14 average salary.

15 {2}--A--police--officer--who--is--eligible--for--service
16 retirement--under--19-9-801--after--20--years--of--qualified
17 service--and--who--elects--to--serve--additional--years--shall
18 receive--the--allowance--provided--for--in--subsection--(1)--plus--an
19 additional--1%--of--his--final--average--salary--for--each--year--of
20 additional--qualified--service--up--to--a--maximum--of--60%--of--his
21 final--average--salary.

22 {3}--A--member--who--is--eligible--for--service--retirement
23 under--19-9-801--with--less--than--20--years--of--qualified--service
24 shall--receive--a--retirement--allowance--equal--to--2.5%--of--his
25 final--average--salary--for--each--year--of--qualified--service the

1 sum of:

2 (a) 2.5% of the member's final average compensation for
3 each year of service credit up to and including 20 years;
4 and

5 (b) 1% of the member's final average compensation for
6 each year of service credit after 20 years.

7 (2) The total monthly benefit paid to any retiree under
8 subsection (1) may not exceed 60% of the member's final
9 average compensation.

10 (3) A member who retires with at least 10 years but
11 less than 20 years of membership service must receive a
12 retirement benefit equal to 2.5% of the member's final
13 average compensation for each year of service credit.

14 (4) (a) Upon the death of a police--officer member
15 receiving a service retirement allowance benefit under
16 subsection (1) or {2}, his the member's surviving spouse, if
17 there is one, shall must receive from the pension trust fund
18 a sum benefit equal to one-half of the officer's member's
19 final average salary compensation.

20 (b) Upon the death of a member receiving a service
21 retirement allowance benefit under subsection (3), his the
22 member's surviving spouse, if there is one, shall must
23 receive from the pension trust fund a sum benefit equal to
24 the amount of the officer's--allowance member's benefit at
25 the time of his the member's death.

(c) If the officer member leaves one or more dependent children, then upon ~~his~~ the member's death, if he ~~the member~~ leaves no surviving spouse, or upon the death of the surviving spouse, the ~~officer's~~ member's surviving dependent child, or children collectively if there are more than one, ~~shall~~ must receive the same monthly payments that a surviving spouse would receive for as long as the child or one of the children remains a dependent child as defined in 19-9-104. The payments must be made to the child's appointed guardian for the child's use. If there is more than one dependent child, upon each child no longer qualifying as dependent under 19-9-104, the pro rata payments to that child must cease and be made to the remaining children until all the children are no longer dependent."

Section 198. Section 19-9-902, MCA, is amended to read:

"19-9-902. Eligibility for disability retirement. If a police--officer member is determined by the board to be ~~totally-and-permanently~~ disabled, he the member is entitled to a disability retirement allowance benefit, regardless of the length of his the member's service, commencing on the day following the police-officer's-last-day-of-membership member's termination from service."

Section 199. Section 19-9-903, MCA, is amended to read:

"19-9-903. Amount of disability retirement allowance benefit -- continuation of allowance benefit after death of

~~member.~~ (1) A police-officer member who is eligible under 19-9-902 before completing earning 20 years of qualified service credit ~~shall~~ must receive a disability retirement allowance benefit equal to one-half his-average the member's final ~~salary~~ average compensation.

(2) A police--officer member who is retired under 19-9-902 and who, at the time of his the member's injury or disability, was eligible at his the member's option to be retired under 19-9-801 but had elected to serve years in excess of 20 years of qualified service credit and was then serving such additional years ~~shall~~ must be paid for the additional years at the rate prescribed in 19-9-804~~†2†~~.

(3) Upon the death of a police-officer member receiving a disability allowance retirement benefit under this section, his the member's surviving spouse or dependent child is eligible for benefits as provided in 19-9-804~~†4†~~."

Section 200. Section 19-9-904, MCA, is amended to read:

"19-9-904. Termination of allowance benefit. The board, in its discretion, may require the recipient of a disability retirement allowance benefit to undergo a medical examination. The examination must be made by a physician or surgeon at the recipient's place of residence or at another place mutually agreed on, at the board's expense. Upon the basis of the examination, the board shall determine, by reason of physical or mental capacity, whether the recipient

1 can perform the duties of the position held by him the
 2 recipient when he the recipient was retired. If an inactive
 3 member is determined by the board to be no longer ~~totally~~
 4 ~~and--permanently~~ disabled, his the inactive member's
 5 disability retirement ~~allowance~~ benefit must be canceled
 6 when he the inactive member is offered a position under
 7 19-9-905. If he the inactive member refuses to submit to a
 8 medical examination, his the inactive member's disability
 9 retirement ~~allowance~~ benefit shall ~~must~~ cease as of the date
 10 of such the determination. He The inactive member shall ~~must~~
 11 be notified of the determination by the board. The board may
 12 review the status of any an inactive member at any time."

13 **Section 201.** Section 19-9-905, MCA, is amended to read:
 14 "19-9-905. Reinstatement upon termination of ~~allowance~~
 15 benefit. (1) ~~Any-inactive~~ A retired member whose disability
 16 retirement ~~allowance~~ benefit is cancelled as provided in
 17 19-9-904 ~~shall~~ must be reinstated to the position held by
 18 him the member immediately before his retirement or to a
 19 position in the same classification with duties within his
 20 the member's capacity, whichever is first open. The board
 21 shall advise the employer that the disability retirement
 22 ~~allowance~~ benefit has been cancelled and that the inactive
 23 member is eligible for reinstatement to duty. The fact that
 24 he the member was retired for disability may not prejudice
 25 any right to reinstatement to duty ~~which that~~ the inactive

1 member may have or claim to have.

2 (2) The city may request a medical or psychological
 3 review as to the ability of the member to return to work as
 4 a police officer. If the board's findings are upheld, the
 5 city shall pay the costs of the review.

6 (3) If the inactive retired member again becomes an
 7 active member by returning to active-work-for service with
 8 an employer within 30 days following his receipt of notice
 9 under 19-9-904, he the member shall ~~must~~ be considered to
 10 have been continuously employed during the term of his the
 11 member's disability. If the inactive retired member fails to
 12 become an active member by returning to active-work-for
 13 service with an employer within 30 days following receipt of
 14 such the notice, his the member's termination of employment
 15 service shall--be is considered to have occurred as of his
 16 the member's disability retirement date and the retirement
 17 ~~allowance~~ benefit, if any, to which he the member becomes
 18 entitled on his the member's service retirement date shall
 19 must be determined accordingly."

20 **Section 202.** Section 19-9-911, MCA, is amended to read:
 21 "19-9-911. Death Preretirement death benefits. (1) Upon
 22 the death of a police-officer member before retirement, his
 23 the member's surviving spouse or dependent child is eligible
 24 for benefits as provided in 19-9-804(4).

25 (2) Upon the death of a an inactive nonvested member

who--is--no--longer-employed-as-a-police-officer-and-who-did not-attain-the-minimum-retirement-eligibility-at-the-age--of 50, his the member's surviving spouse or dependent child is eligible for a refund of the member's accumulated contributions and--accumulated-interest-on-account-with-the retirement-system-on-the-date-that-the-refund-is-made-to-the survivors."

Section 203. Section 19-9-912, MCA, is amended to read:

"19-9-912. Payment--of--death--benefits Payments in absence of spouse or child. If a member dies without leaving a surviving spouse or dependent child and if the member had designated a beneficiary in writing to the administrator division, the administrator--shall--pay--to-the designated beneficiary must be paid an amount equal to the member's accumulated contributions less any retirement benefits paid to the member before his the member's death. If the deceased member did not designate a beneficiary or the designated beneficiary predeceased the member, this amount must be paid to the member's estate."

Section 204. Section 19-9-1007, MCA, is amended to read:

"19-9-1007. Supplement to certain pensions benefits.

(1) The payment-for benefits paid in each fiscal year to the police-officers, surviving-spouses,--or--dependent--children described--in--subsections--(2)(a)--through--(2)(c) a retired

member or the member's survivors may not be not less than one-half of the base-salary compensation that will be paid in the current fiscal year in the appropriate city or town to newly confirmed police officers,--except-that-for-the fiscal-year-beginning-July-17-1979, all-retirees--and--their beneficiaries--who-received-a-supplement-to-their-retirement allowance-on-July-17-1978, and-are-receiving-an-allowance-on July--17--1979,--shall--receive--a--3%--increase--in--their retirement-allowance-in-lieu-of-any-other-increase.

(2) On or before August October 1 of each year, the department-of-administration division shall make a report including the following information:

(a) the names of all police-officers retired members who are receiving payments benefits from the plan retirement system as of the date of the report and--were--receiving payments-from-a-prior-plan-before-July-17-1975;

(b) the names of all surviving spouses or dependent children who are receiving payments benefits from the plan retirement system because of the death of a-police-officer who-was-receiving-payments-from-a-prior-plan-before-July--17-1975 an active or retired member of this or a prior plan;

(c)--the--names--of--all--surviving-spouses-or-dependent children-who-are-receiving-payments-from-the--plan--and--who were--receiving--payments--from--a-prior-plan-before-July-17-1975, or-in-the-case-of-dependent--children,--whose--parent,

the--spouse-of-a-police-officer--was-receiving-payments-from
a-prior-plan-before-July-17-1975;

(d)(c) for the purpose of determining the base figure
retirement, disability, or survivorship benefits for the
computations set forth in subsection (3), the following
information relating to the base fiscal year commencing July
1, 1976:

(i) the amount of the payments-made benefits paid in
the base fiscal year to each police-officer retired member
described in subsection (2)(a);

(ii) the amount of the payments-made benefits paid in
the base fiscal year to each surviving spouse or dependent
child ~~(or--children)~~ described in subsection (2)(b) or
~~(2)(c)~~;

(iii) upon the death after ~~April--187-1977~~ the base
fiscal year of any ~~police--officer--on--the--retired--list~~
retired member who was receiving payments-from-a-prior-plan
before-July--17--1975 benefits, his--surviving--spouse--or
dependent-children-are-entitled-to-receive-payments-from-the
plan; the amount which of benefits that would have been paid
to an eligible surviving spouse of such-police-officer-had
that the retired member if the surviving spouse had been
receiving payments benefits in the base fiscal year;

(d) the original amount of retirement, disability, or
survivorship benefits paid to retired members or their

eligible survivors as of the original retirement dates after
July 1, 1975;

(e) the base-salary-for compensation that will be paid
during the current fiscal year of to a newly confirmed
police officer of each city or town participating in the
plan retirement system.

(3) The ~~department--of--administration~~ division shall
compute the difference between each amount reported under
subsections ~~(2)(d)(i)~~ (2)(c) through ~~(2)(d)(iii)~~ (2)(e) and
one-half the base-salary-for compensation to be paid during
the current fiscal year of to a newly confirmed police
officer of the appropriate city or town. The difference
~~shall must~~ be reported to ~~and-paid-by~~ the state auditor who
shall pay the difference to the pension trust fund out of
the premium tax collected on insurance sold in this state to
insure against the risks enumerated in 19-11-512(3) ~~to--the~~
~~administrator~~ no later than ~~September~~ November 1. If the
base-salary compensation of a newly confirmed police officer
has not been set for the current fiscal year in time to be
included in the August October 1 report to the state
auditor, the ~~department~~ division shall make any retroactive
adjustments necessary to individual supplemental benefits
after the ~~base--salary~~ current compensation has been
determined and shall include these amounts in the next
year's report for reimbursement at that time.

(4) The premium tax amount paid by the state auditor is statutorily appropriated, as provided in 17-7-502, for the payment of supplemental retirement benefits to eligible retired members and their survivors. This payment is in addition to the payment to be made by the state auditor under 19-9-702. ~~The administrator shall use the funds received under this subsection to supplement the monthly payments to persons described in subsections (2)(a) through (2)(c) so that the requirements of subsection (1) are met.~~

~~(4) In addition to the payments made by the auditor as provided in subsection (3), the auditor shall make annual payments of \$100,000 after the end of each fiscal year but no later than September 1, until the sum of \$500,000 has been paid to the administrator for deposit in the retirement account. These payments are statutorily appropriated as provided in 17-7-502. These payments are to be made to reimburse the retirement account for funds advanced to implement this section.~~

(5) If more than one dependent child is entitled to supplementary payments benefits under this section by virtue of the death of a common parent police officer, the minimum payment benefit paid to such the dependent children under this section ~~shall~~ must be determined as if there were one such dependent child and the supplementary payment benefits ~~shall~~ must be made paid to the dependent children

collectively."

Section 205. Section 19-13-103, MCA, is amended to read:

"19-13-103. Retirement Firefighters' unified retirement system established. A firefighters' unified retirement system is established and governed by the provisions of [sections 1 through 42] and this chapter."

Section 206. Section 19-13-104, MCA, is amended to read:

"19-13-104. Definitions. Unless the context requires otherwise, the following definitions apply in this chapter:

(1) "Administrator" means the public employees' retirement division of the department of administration;

(2) "Board" means the retirement board described in 2-15-1009;

(3) "Credited service" means the aggregate of a member's prior service and membership service;

(1) "Compensation" means:

(a) for a full-paid firefighter, the regular remuneration, excluding overtime, holiday payments, shift differential payments, compensatory time payments, and payments in lieu of sick leave, paid by an employer for the firefighter's service as a firefighter;

(b) for a part-paid firefighter employed by a city of the second class;

(i) 15% of the regular remuneration, excluding overtime, holiday payments, shift differential payments, compensatory time payments, and payments in lieu of sick leave, paid on July 1 of each year to a newly confirmed, full-paid firefighter of the city that employs the part-paid firefighter; or

(ii) if that city does not employ a full-paid firefighter, 15% of the average regular remuneration, excluding overtime, holiday payments, shift differential payments, compensatory time payments, and payments in lieu of sick leave, paid on July 1 of each year to all newly confirmed, full-paid firefighters employed by cities of the second class.

(4)(2) "Dependent child" means a child of a deceased member who is:

(a) unmarried and under age 18; or

(b) unmarried, under age 24, and attending an accredited postsecondary educational institution as a full-time student in anticipation of receiving a certificate or degree.

(5)(3) "Employer" means any city that is of the first or second class or that elects to join this plan retirement system under 19-13-108.

(6)(4) "Final average salary compensation" means the monthly compensation of a member hired on or after July 1,

1981, averaged over the last 36 months of his the member's active service or, if he the member has not been a member that long, over the period of his--membership the member's service. Lump-sum payments for annual leave paid to the member upon termination of service may be used to replace, on a month-for-month basis, the normal compensation for a month or months included in the calculation of final average compensation.

(7)(5) "Firefighter" means a person employed as a full-paid or part-paid firefighter by an employer.

(8)(6) "Full-paid firefighter" means a person appointed as a firefighter under 7-33-4106.

(9)--"Fund"--means--the--pension--trust--fund--in--the--state treasury--system--designated--for--the--use--of--the--plan--

(10)--"Member"--means--a--person--who--is--employed--by--an employer--as--a--full--or--part--paid--firefighter--or--who--is entitled--to--a--retirement--allowance--by--virtue--of--his--service to--an--employer--as--a--firefighter--

(11)--"Member--contributions"--means--the--total--of--the deductions--from--a--member's--compensation--made--during--a--period of--active--membership--under--this--chapter--or--made--under--a prior--plan--and--transferred--to--this--plan--standing--to--his credit--together--with--the--interest--thereon--

(12)--"Membership--service"--means--a--period--of--employment with--an--employer--occurring--after--July--17--1981--during--which

the withholdings required by this chapter have been made from a member's monthly compensation and credited to his member contributions account. Pro-rata credit shall be granted for employment on a part-time basis or for employment over a period of less than a complete fiscal year.

(7) "Last monthly compensation" means the compensation paid to a member during the member's last full month of service. Lump-sum payments for annual leave paid to the member upon termination of service may not be included in the calculation of last monthly compensation.

(8) "Minimum retirement date" means the first day of the month coinciding with or immediately following, if none coincides, the date on which a member becomes both age 50 or older and completes 10 or more years of credited membership service.

(9) "Monthly compensation" means:

(a) for a full-paid firefighter, the regular monthly compensation, excluding overtime, holiday payments, shift differential payments, compensatory time payments, and payments in lieu of sick leave, paid by an employer for his service as a firefighter;

(b) for a part-paid firefighter employed by a city of the second class:

(i) 15% of the regular monthly compensation, excluding

overtime, holiday payments, shift differential payments, compensatory time payments, and payments in lieu of sick leave, paid on duty 1 of each year to a newly confirmed, full-paid firefighter of the city that employs the part-paid firefighter, or

(ii) if that city does not employ a full-paid firefighter, 15% of the average regular monthly compensation, excluding overtime, holiday payments, shift differential payments, compensatory time payments, and payments in lieu of sick leave, paid on duty 1 of each year to all newly confirmed, full-paid firefighters employed by cities of the second class.

(10) Any reference to "municipality", "city", or "town" includes those jurisdictions which, prior to the effective date of a county-municipal consolidation, were incorporated municipalities, subsequent districts created for urban firefighting services, or the entire county included in the county-municipal consolidation.

(11) "Part-paid firefighter" means a person employed under 7-33-4109 who receives compensation in excess of \$300 a year for his service as a firefighter.

(12) "Plan" means the municipal firefighters' retirement system created by this chapter.

(13) "Prior plan" means the fire department relief association plan of a city that elects to join the plan

1 retirement system under 19-13-108 or the fire department
2 relief association plan of a city of the first or second
3 class.

4 ~~{19}-"Prior--service"--means-a-period-of-employment-as-a~~
5 ~~firefighter-for-which-credit-was-granted-to-a-member-under-a~~
6 ~~prior-plan-and-has-been-transferred-to-this-plan-~~

7 ~~{20}-"Retirement-allowance"--means--the--monthly--benefit~~
8 ~~payable-after-service-or-disability-retirement-~~

9 ~~{21}{12}~~ "Retirement date" means the date on which the
10 first payment of the retirement or disability benefits of--a
11 member or a beneficiary is payable.

12 ~~{22}{13}~~ "Surviving spouse" means the spouse married to
13 a member at the time of the member's death.

14 ~~{23}-"Totally-and-permanently-disabled"--means--that--the~~
15 ~~board,--upon--certification--by--a--licensed--and--practicing~~
16 ~~physician,--has-determined--that--a-member's-disability--is--of~~
17 ~~such--a--nature--as--to--permanently--impair--his-ability-to~~
18 ~~discharge-his-normal-duties-as-a-firefighter-~~

19 **Section 207.** Section 19-13-201, MCA, is amended to
20 read:

21 "19-13-201. Firemen's association to advise board. The
22 Montana state firemen's association shall serve as an
23 advisor to the board and may meet quarterly with the board
24 to discuss matters relating to the administration of this
25 chapter. The association may review all medical and legal

1 information available to the board relating to service,
2 disability, and survivorship benefits ~~for-members-of-the~~
3 plan of an individual member upon a written release of the
4 member or the member's survivor."

5 **Section 208.** Section 19-13-105, MCA, is amended to
6 read:

7 "19-13-105. Participation in plan retirement system by
8 first- and second-class cities. Cities of the first and
9 second class that employ full-paid firefighters must shall
10 participate in the plan retirement system. If a city of the
11 first or second class is reduced to a city of the third
12 class or a town under 7-1-4118, it must shall continue to
13 participate in the plan retirement system as long as it has
14 retired firefighters or beneficiaries survivors eligible to
15 receive retirement benefits."

16 **Section 209.** Section 19-13-108, MCA, is amended to
17 read:

18 "19-13-108. Election to join plan retirement system --
19 transfer of assets. (1) Except for cities with only
20 volunteer firefighters, a city other than one described in
21 19-13-105 may, after July 1, 1981, elect to join the plan
22 retirement system by passing an ordinance stating the
23 election and the consent of the city to be bound by the
24 provisions of this chapter retirement system. The fire
25 department relief association of the city may pass a

1 resolution to the same effect. Upon the enactment of the
 2 ordinance and passage of the resolution, the provisions of
 3 this chapter retirement system become applicable to the
 4 city. Any city that enacts such an election ordinance and in
 5 which the fire department relief association passes such a
 6 resolution shall send certified copies thereof to the board
 7 and shall, as soon as possible thereafter, deposit with--the
 8 board into the pension trust fund all cash and securities
 9 held by its fire department relief association. The value of
 10 the securities ~~shall~~ must be determined by the board.

11 (2) The board of trustees of the fire department relief
 12 association as of the effective date of the election shall
 13 certify the proportion, if any, of the funds of the
 14 association that represents the accumulated contributions of
 15 the active members and the relative shares of the members as
 16 of that date. Following the transfer of the cash and
 17 securities required by subsection (1) and the certification
 18 required by this subsection, the fire department relief
 19 association may conclude its affairs. The shares of the
 20 members ~~shall~~ must be charged to the employer and credited
 21 to the respective ~~individual~~-accounts-of-the members in the
 22 plan retirement system and administered as if the
 23 contributions had been made during membership in the plan
 24 retirement system. Any excess of employer credits over
 25 charges under this section ~~will~~ must be offset, with

1 interest, against future required employer contributions.
 2 Any excess of employer charges over credits under this
 3 section are payable by the employer, with interest, on a
 4 basis determined by the procedure described in 19-13-503."

5 **Section 210.** Section 19-13-110, MCA, is amended to
 6 read:

7 "19-13-110. Termination of participation in plan
 8 retirement system or reduction of employer contributions.

9 (1) If a city voluntarily terminates its contributions in
 10 the plan retirement system or significantly reduces the
 11 number of full-paid firefighters it employs to a degree
 12 that, in the board's opinion, inadequately funds the accrued
 13 or accruing benefits of plan retirement system members, the
 14 board shall request as part of the required actuarial
 15 valuation ~~required-in-19-13-504~~ an actuarial investigation
 16 of the funding status of the city.

17 (2) Based on the actuarial investigation, the board may
 18 request and the city shall pay annually an the amount needed
 19 determined to be necessary to provide adequate funding for
 20 the liabilities of the city. This amount must be in addition
 21 to any other contributions required by the retirement act.

22 (3) Six years after the actuarial investigation is
 23 conducted, a city making payments as provided in subsection
 24 (2) may request the board to review the city's funding
 25 status relative to the annual payments. As a result of the

1 review, the board may adjust the payments."

2 **Section 211.** Section 19-13-503, MCA, is amended to
3 read:

4 "19-13-503. Unfunded Excess unfunded liabilities of
5 prior plans. (1) The legislature finds and declares that
6 many cities operating under prior plans have excess and
7 unfunded liabilities, and the liabilities cannot be
8 amortized by the percentage contributions set forth in this
9 chapter.

10 (2) The administrator board shall, within 6 months
11 after a city is granted membership in the plan retirement
12 system, determine the excess and unfunded liability of the
13 city's previous plan. If the administrator board determines
14 that the city has an excess and unfunded liability under a
15 previous plan that is not funded by sums on deposit or funds
16 available for deposit ~~with the administrator in the pension~~
17 trust fund, the city shall pay an additional sum over a
18 period of time to amortize the city's excess liability.

19 ~~{3}--For--each--city--with--an--unfunded--liability, any~~
20 ~~portion-of-the-member, the employer, and state contributions~~
21 ~~that exceeds the amount necessary to maintain the current~~
22 ~~level of unfunded liability must be applied to the reduction~~
23 ~~of the unfunded liability."~~

24 **Section 212.** Section 19-13-301, MCA, is amended to
25 read:

1 "19-13-301. Active membership -- inactive vested member
2 -- inactive nonvested member. (1) A full-paid firefighter
3 becomes an active member under of the plan retirement
4 system:

5 (a) on the first day of his--employment--by the
6 firefighter's service with an employer;

7 (b) on July 1, 1981, if he the firefighter is employed
8 by an employer on that date; or

9 (c) in the case of an employer that elects to join the
10 plan retirement system as provided in 19-13-108, on the
11 effective date of such the election if he the firefighter is
12 employed by the employer on that date.

13 (2) Upon becoming eligible for membership, he the
14 firefighter shall complete the forms and furnish any proof
15 required by the board.

16 (3) A part-paid firefighter may elect to become a
17 member of the plan retirement system by filing a membership
18 application with the board.

19 (4) An active member becomes an inactive member upon
20 the occurrence of the earliest of the following:

21 (a) the date the member ceases service with an
22 employer;

23 (b) the 31st day of an approved absence from active
24 duty with an employer; or

25 (c) the date the member ceases to be employed because

1 of a reduction of the number of firefighters in the fire
2 department as provided in 7-33-4125.

3 (5) A member with at least 10 years of membership
4 service who terminates service and does not take a refund of
5 accumulated contributions is an inactive vested member and
6 retains the right to purchase service and to receive a
7 retirement benefit under the provisions of this chapter.

8 (6) A member with less than 10 years of membership
9 service who terminates service and leaves the member's
10 accumulated contributions in the pension trust fund is an
11 inactive nonvested member and is not eligible for any
12 benefits from the retirement system. An inactive nonvested
13 member is eligible only for a refund of the member's
14 accumulated contributions."

15 **Section 213.** Section 19-13-302, MCA, is amended to
16 read:

17 "19-13-302. Ineligibility for other retirement plans.
18 No An active member is not eligible to be covered under any
19 other mandatory retirement plan to which an employer is
20 required to contribute on his the member's behalf while he
21 the member is eligible to be covered by this plan retirement
22 system."

23 **Section 214.** Section 19-13-107, MCA, is amended to
24 read:

25 "19-13-107. Effect on members of prior plans. A

1 firefighter hired before July 1, 1981, who was a member of a
2 prior plan and who becomes a member of this plan retirement
3 system retains all rights and benefits accrued under a prior
4 plan."

5 **Section 215.** Section 19-13-506, MCA, is amended to
6 read:

7 "19-13-506. Separate account for supplementary
8 allowances benefits for persons hired on or after July 1,
9 1981. There is ~~created--in--the-state-treasury~~ an account
10 within the pension trust fund ~~provided-for-in--19-13-501~~ to
11 which must be credited all amounts transferred under
12 19-11-606(1). The money in the account must be used to pay
13 the supplementary allowances benefits provided for in
14 19-13-1009."

15 **Section 216.** Section 19-13-601, MCA, is amended to
16 read:

17 "19-13-601. Deduction ~~remitted~~ to firemen's association
18 ~~-- member's~~ contributions. (1) Each employer shall retain
19 from the monthly compensation of each active member a sum
20 equal to ~~1%~~ 1% of ~~his-monthly~~ the member's compensation for his
21 services as a firefighter and shall remit this amount on a
22 monthly basis to the Montana state firemen's association for
23 the payment of premiums on a group life and accidental death
24 and dismemberment insurance policy for members and to defray
25 expenses incurred by the association when representing

1 members of the plan retirement system.

2 (2) The member's contribution to the retirement system
3 ~~for each active member~~ is 6% of his--monthly the member's
4 compensation.

5 (3) If a member receives compensation under the
6 provisions of the Workers' Compensation Act, Title 39,
7 chapter 71, the amount received must be included as part of
8 his--monthly the member's compensation for purposes of
9 determining contributions and service credits under the
10 retirement system. Contributions made under ~~this section~~
11 19-13-604, and 19-13-605, and this section must be based on
12 the total compensation received by the member from his the
13 employer and from workers' compensation during the period of
14 disability.

15 (4) Each employer, pursuant to section 414(h)(2) of the
16 federal Internal Revenue Code, as amended and applicable on
17 July 1, 1987, shall pick up and pay the contributions which
18 that would be payable by the member under subsection (2) for
19 service rendered after June 30, 1987.

20 (5) The member's contributions picked up by the
21 employer must be designated for all purposes of the
22 retirement system as the member's contributions, except for
23 the determination of a tax upon a distribution from the
24 retirement system. These contributions must become part of
25 the member's accumulated contributions but must be accounted

1 for separately from those previously accumulated.

2 (6) The member's contributions picked up by the
3 employer must be payable from the same source as is used to
4 pay compensation to the member and must be included in the
5 member's monthly compensation as defined in 19-13-104. The
6 employer shall deduct from the member's compensation an
7 amount equal to the amount of the member's contributions
8 picked up by the employer and remit the total of the
9 contributions to the board."

10 **Section 217.** Section 19-13-604, MCA, is amended to
11 read:

12 "19-13-604. State contribution. The state shall make
13 its contributions through the state auditor from the premium
14 taxes on the insurance risks enumerated in 19-11-512. These
15 payments ~~shall~~ must be made annually to the administrator
16 pension trust fund after the end of each fiscal year but no
17 later than ~~September~~ November 1 from the gross premium taxes
18 after deduction for cancellations and returned premiums. ~~The~~
19 ~~payment is statutorily appropriated as provided in 17-7-502.~~
20 The administrator division shall notify the auditor of the
21 annual compensation, excluding overtime, holiday payments,
22 shift differential payments, compensatory time payments, and
23 payments in lieu of sick leave, paid to all active members
24 during the preceding year ~~and effective July 1, 1981, the~~
25 The state's contribution is 12% of this--compensation--This

contribution--shall--increase-to-15%-effective-July-17-1982,
 to-18%-effective-July-17-1983-to-22-98%-effective--July--17-
 1985,--and--to 23.27% of this total compensation effective
 July 1, 1991. As soon as practicable after receipt of the
 state contribution, the administrator division shall deposit
 it with-the-state-treasurer in the pension trust fund."

Section 218. Section 19-13-605, MCA, is amended to
 read:

"19-13-605. Employer contribution. Each employer shall
 make its contribution on behalf of members through the city
 treasurer or other appropriate official from money available
 to the city for this purpose. Effective-July-17-1981-the
 The employer's contribution is 12%--of--the--total--monthly
 compensation-paid-to-all-active-members-during-the-preceding
 month;--This--contribution--shall--increase-to-15%-effective
 July-17-1982-to-18%--effective--July--17--1983,--and--shall
 decrease--to 13.02% effective--July--17--1985 of the total
 compensation paid to members. All contributions are payable
 monthly to the administrator-who division, which shall, as
 soon as practicable after their receipt, deposit them with
 the-state-treasurer in the pension trust fund."

Section 219. Section 19-13-607, MCA, is amended to
 read:

"19-13-607. Other money credited as employer
 contributions. All gifts, bequests, and emoluments given to

an employer or member for the benefit of the plan retirement
system or because of any member's service as a firefighter,
 except when specifically allowed to be retained by the
 member by his the member's employer, shall must be paid to
 the administrator division. The administrator division shall
 credit deposit them to in the pension trust fund and,--as
 soon--as--practicable--after--their--receipt,--deposit--them--with
 the--state--treasurer. Such The amounts are employer
 contributions but are in addition to the amounts required by
 19-13-605."

Section 220. Section 19-13-403, MCA, is amended to
 read:

"19-13-403. Election to qualify previous military
 service. (1) A member with 15 years or more of service
credit may, at any time prior to his retirement, make a
 written election with the board to qualify all or any
 portion of his the member's active duty service in the armed
 forces of the United States for the purpose of calculating
 retirement benefits, up to a maximum of 5 years, if he the
member is not otherwise eligible to receive credit for this
service under 19-13-402. To qualify this service he the
member must shall contribute to the account pension trust
fund the actuarial cost of granting the service to be
 determined by the board based on his-compensation-and-normal
 contribution-rate-as-of-his-16th-year-and-as-many-succeeding

~~years-as-are-required-to-qualify-this-service-with-interest from--the--date--he-becomes-eligible-for-this-benefit-to-the date-he-contributes~~ the most recent actuarial valuation of the system. He A member may not qualify more of his the member's military service than he the member has service credit in excess of 15 years. Military service purchased under this section may not be used in determining the member's eligibility for a service retirement requiring a minimum-of-10-years-of-service.

(2) If a member has retired from active duty in the armed forces of the United States with ~~normal-service~~ military retirement benefits, he the member may not qualify his military service under subsection (1). However, a member who is serving or has served in the military reserves with the expectation of receiving a military service pension may qualify his the member's active duty military service under subsection (1) if his the active duty in the armed forces of the United States is not more than 25% of the total of all his the member's years of military service, including reserve and active duty time."

Section 221. Section 19-13-404, MCA, is amended to read:

"19-13-404. Qualification of ~~service-from other Montana public retirement-systems~~ service. (1) (a) A member may, at any time before his retirement, make a written election with

the board to qualify all or any portion of ~~his--creditable~~ the member's service credit in the public employees', highway patrol officers', sheriffs', municipal police officers', or game wardens' retirement system for which he the member has received a refund of ~~his-membership~~ the member's accumulated contributions. To qualify this service, he the member ~~must~~ shall contribute to the retirement pension trust fund the actuarial cost of granting the service in the firefighters' unified retirement system, as determined by the board, based on ~~his-compensation-earned-as a--member--of--the-former-system-and-the-normal-contribution~~ rate-according-to the most recent actuarial valuation minus the employer contribution provided in subsection (1)(b). This service may not be credited in more than one retirement system under Title 19.

(b) Upon receiving the member's payment under subsection (1)(a), the ~~administrator~~ division shall transfer from the member's former retirement system to the firefighters' unified retirement system an amount equal to the employer contributions made during the member's service, but no more than an amount equal to the normal contribution rate minus the employee contribution rate in the firefighters' unified retirement system, according to the most recent actuarial valuation, based on the ~~salaries~~ compensation earned by the employee as a member of the

former system.

(2) (a) A member may, at any time before his retirement, make a written election with the board to qualify any full-time public service employment performed for the state or a political subdivision of the state. The member shall provide salary compensation and employment documentation certified by his the member's public employer. The board ~~may~~ shall grant service credit subject to the ~~provisions--of--19-13-202~~ rules adopted by the board upon contribution by the employee of the actuarial cost of granting this service in the firefighters' unified retirement system, as determined by the board, based on the ~~employee's compensation earned during this period of service and--the--normal--contribution--rate--according--to~~ the most recent actuarial valuation of the system.

(b) The board is the sole authority under this subsection (2) in determining what constitutes full-time public service.

(c) This service may not be credited in more than one retirement system under Title 19."

Section 222. Section 19-13-701, MCA, is amended to read:

"19-13-701. Eligibility for service retirement -- ~~commencement of allowance benefit.~~ (1) A member who has reached age 50 and has completed 10 years or more in the

~~aggregate-as-a--firefighter--in--any--capacity--or--rank~~ of membership service is eligible for service retirement commencing on the first day of the month following the member's last day of membership service.

(2) A vested member who terminates active service before age-50 the minimum retirement date and keeps his the member's accumulated contributions on deposit under ~~19-13-304~~ is eligible for service retirement commencing on the ~~first-day-of-the-month-coinciding--with--or--immediately following--if--none-coincides--the-date-on-which-he-reaches~~ age-50 member's minimum retirement date.

(3) A terminated vested inactive member ~~eligible--under subsection--(1)--or--(2)~~ may file a written application with the board requesting that his the member's retirement allowance benefit commence on the first day of the month following receipt of the application. However, the retirement allowance benefit for an ~~eligible--terminated~~ inactive vested member must commence no later than the first day of the month following the member's 55th birthday."

Section 223. Section 19-13-704, MCA, is amended to read:

"19-13-704. Amount of service retirement allowance benefit. (1) (a) A member hired before July 1, 1981, who is ~~eligible--under--19-13-701--and--who~~ elects to retire after completing having reached both 20 years of membership

service and reaching age 50 as an active firefighter shall must receive a service retirement allowance benefit equal to one-half the monthly compensation last received by the member for his service as an active firefighter. A member who completes more than 20 years of service shall receive an additional 1% of his final monthly compensation for each year in excess of 20, up to a maximum of 60% of the monthly compensation last received by the member the sum of:

(i) 50% of the member's last monthly compensation for years of service credit up to and including 20 years; and

(ii) 1% of the member's last monthly compensation for each year of service credit after 20 years.

(b) A member hired before July 1, 1981, who is eligible under 19-13-701 and who elects to retire after completing having reached at least 10 years or more of membership service but has not both completed 20 years of service and reached prior to reaching age 50 as an active firefighter member shall must receive a service retirement allowance benefit equal to 2% of the member's last monthly compensation last received by the member for each year of service credit up to a maximum of 60% of his final monthly salary.

(i) If Upon the retired member dies after he is permanently separated from service and before he both reaches age 50 and completes 20 years of service as an

active firefighter member's death, the allowance prescribed in subsection (i)(b) benefit must be made to the surviving spouse beginning on the date the firefighter would have both reached his 50th birthday and completed 20 years of service as an active firefighter and terminating upon the surviving spouse's death. If there is no surviving spouse or if the surviving spouse dies and if the firefighter member leaves one or more dependent children, the children are entitled to receive the allowance as long as they remain dependent children as defined in 19-13-104.

(ii) If the firefighter dies after he both reaches age 50 and completes 20 years of service as an active firefighter, the payments must be made to the surviving spouse or children as provided in subsection (i)(b)(i).

(2) A member hired on or after July 1, 1981, who is eligible under 19-13-701 retires with at least 10 years of membership service shall must receive a service retirement allowance benefit equal to 2% of his the member's final average salary compensation for each year of service credit up to a maximum of 30 years of service.

(3) The maximum monthly benefit payable to any retiree under subsection (1) may not exceed 60% of the member's last monthly compensation. The maximum monthly benefit payable to any retiree under subsection (2) may not exceed 60% of the member's final average compensation."

1 **Section 224.** Section 19-13-802, MCA, is amended to
2 read:

3 "19-13-802. Eligibility for disability retirement. If a
4 member is determined by the board to be ~~totally--and~~
5 ~~permanently~~ disabled, he the member is entitled to receive a
6 disability retirement ~~allowance~~ benefit, regardless of the
7 length of his the member's service, beginning the first day
8 after the date on which he the member became ~~totally--and~~
9 ~~permanently~~ disabled and terminated service because of the
10 disability."

11 **Section 225.** Section 19-13-803, MCA, is amended to
12 read:

13 "19-13-803. Amount of disability retirement allowance
14 benefit. (1) A member hired before July 1, 1981, who is
15 ~~eligible-under-19-13-802~~ becomes disabled:

16 (a) before completing 20 years of membership service
17 ~~shall~~ must receive a disability retirement ~~allowance~~ benefit
18 equal to one-half the member's last monthly compensation
19 ~~last--received--by--the-member-for-his-services-as-an-active~~
20 ~~firefighter;~~

21 (b) after completing 20 years or more of membership
22 service ~~shall~~ must receive the disability retirement
23 ~~allowance~~ benefit provided in subsection (1)(a) increased at
24 a rate of 1% of the member's last monthly compensation for
25 each year of service credit in excess of 20, up to a maximum

1 of benefit equal to 60% of the member's last monthly
2 ~~compensation last-received-by-the-member.~~

3 (2) A member hired on or after July 1, 1981, who ~~is~~
4 ~~eligible-under-19-13-802~~ becomes disabled:

5 (a) before completing 25 years of membership service
6 ~~shall~~ must receive a disability retirement ~~allowance~~ benefit
7 equal to one-half the member's last monthly compensation
8 ~~last--received--by--the-member-for-his-services-as-an-active~~
9 ~~firefighter;~~

10 (b) after completing 25 years or more of membership
11 service ~~shall~~ must receive the disability retirement
12 ~~allowance~~ benefit provided in subsection (2)(a) increased at
13 a rate of 2% of the member's last monthly compensation for
14 each year of service credit in excess of 25, up to a maximum
15 ~~of-5-years-of-additional-service~~ benefit equal to 60% of the
16 member's last monthly compensation.

17 (3) A member's disability retirement benefit must be
18 paid first to the member during the member's lifetime and,
19 upon the member's death, to the member's surviving spouse.
20 If upon a member's death the member leaves no surviving
21 spouse or upon the death of the surviving spouse, the
22 member's benefit must be paid to the member's dependent
23 children as long as they remain dependent children as
24 defined in 19-13-104."

25 **Section 226.** Section 19-13-804, MCA, is amended to

1 read:

2 "19-13-804. Medical examination of disability retiree
3 -- cancellation of allowance benefit. (1) The board in its
4 discretion may require the recipient of a disability
5 retirement allowance benefit to undergo a medical
6 examination at the board's expense. The examination must be
7 made by a physician or surgeon at the recipient's place of
8 residence or at another place mutually agreed on. Based on
9 the results of the examination, the board shall determine
10 whether the recipient has the physical or mental capacity to
11 perform the duties required by his the recipient's position.
12 If the board determines that the recipient is not
13 incapacitated or if the recipient refuses to submit to a
14 medical examination, his the recipient's disability
15 retirement allowance benefit ~~shall~~ must be canceled. The
16 board shall notify the recipient of this determination and
17 the cancellation of ~~his-allowance~~ the recipient's benefit.

18 (2) The cancellation of a disability allowance
19 retirement benefit because a member is no longer
20 incapacitated does not prejudice any right of the member to
21 a service retirement benefit."

22 **Section 227.** Section 19-13-805, MCA, is amended to
23 read:

24 "19-13-805. Reinstatement upon termination of allowance
25 benefit. (1) (a) An inactive member whose disability

1 retirement allowance benefit is canceled as provided in
2 19-13-804 ~~shall~~ must be reinstated to the position held by
3 him the member immediately before his the member's
4 retirement or to a position in the same classification with
5 duties within his the member's capacity if an appropriate
6 vacancy exists within his the member's fire department. The
7 board shall advise the employer that the disability
8 retirement allowance benefit has been canceled and that the
9 inactive member is eligible for reinstatement to duty. The
10 fact that he the member was retired for disability may not
11 prejudice any right to reinstatement to duty ~~which~~ that the
12 inactive member may have or claim to have.

13 (b) If ~~no~~ an appropriate vacancy exists ~~does not exist~~
14 within an inactive member's fire department when his the
15 member's disability allowance benefit is canceled under
16 19-13-804, ~~his--allowance~~ the member's benefit must be
17 reinstated until a vacancy occurs.

18 (2) The city may request a medical or psychological
19 review as to the ability of the member to return to work as
20 a firefighter. If the board's findings are upheld, the city
21 shall pay the costs of the review.

22 (3) If the inactive member again becomes an active
23 member by returning to active work for an employer within 30
24 days following his receipt of notice under 19-13-804, he the
25 member ~~shall--be~~ is considered to have been continuously

employed during the term of his the member's disability. If the inactive member fails to become an active member by returning to active work for an employer within 30 days following receipt of this notice, his the member's termination of employment ~~shall be~~ is considered to have occurred as of his the member's disability retirement date and the retirement allowance benefit, if any, to which he the member becomes entitled on his the member's service retirement ~~shall must~~ be determined accordingly."

Section 228. Section 19-13-902, MCA, is amended to read:

"19-13-902. Survivorship allowance benefit. (1) (a) Upon the death before retirement of an active member hired before July 1, 1981, his the member's surviving spouse, if there is one, ~~shall must~~ receive a survivorship allowance benefit equal to one-half the last monthly compensation ~~last~~ received by the member ~~for--his--service--as--an--active~~ firefighter. If the member leaves one or more dependent children, then, upon his the member's death if he the member leaves no surviving spouse or upon the death of the surviving spouse, his the member's dependent children ~~shall must~~ collectively receive the same allowance benefit that a surviving spouse would have received, as long as the children remain dependent children as defined in 19-13-104.

(b) If the deceased member completed over 20 years of

membership service, the survivorship allowance benefit provided in subsection (1)(a) must be increased at a rate of 1% of the last monthly compensation for each year in excess of 20, up to a maximum of 60% of the last monthly compensation ~~last~~ received by the member.

(2) Upon the death before retirement of a member hired on or after July 1, 1981, his the member's surviving spouse, if there is one, ~~shall must~~ receive a survivorship allowance benefit equal to one-half of the member's final average salary compensation. If the firefighter member leaves one or more dependent children, then, upon his the member's death if he the member leaves no surviving spouse or upon the death of the surviving spouse, his the member's dependent children ~~shall must~~ collectively receive the same allowance benefit that a surviving spouse would have received, as long as the children remain dependent children as defined in 19-13-104."

Section 229. Section 19-13-903, MCA, is amended to read:

"19-13-903. ~~Payment---of--death--benefits~~ Payments in absence of spouse or dependent child. If a member dies without leaving a surviving spouse or dependent child and if the member had designated a beneficiary in writing to the administrator division, the administrator division shall pay to the designated beneficiary an amount equal to the

member's contributions less any retirement benefits paid to the member before ~~his~~ the member's death. If the deceased member did not designate a beneficiary or the beneficiary predeceased the member, this amount must be paid to the member's estate."

Section 230. Section 19-13-1006, MCA, is amended to read:

"19-13-1006. Supplement to retirement allowances benefits for persons retiring before July 1, 1973. (1) The plan retirement system shall pay to each firefighter member retired before July 1, 1973, or ~~his~~ the member's surviving spouse or dependent children a monthly retirement allowance benefit of not less than one-half the regular monthly ~~salary~~ compensation paid to a confirmed active firefighter of the city that last employed ~~him~~ the member as a firefighter, as provided each year in the budget of that city. If the city that last employed ~~him~~ the member as a firefighter no longer employs a full-paid firefighter, the ~~firefighter's member's~~ or his-beneficiary's-allowance survivor's benefit may not be less than one-half the average regular monthly ~~salary~~ compensation paid to all newly confirmed full-paid firefighters, as provided each year in the budgets of those cities that participate in the plan retirement system and employ a full-paid firefighter. In the case of volunteer firefighters, the retirement allowance benefit may not

exceed \$75 per month. Distribution of the money provided for this purpose under 19-11-606(1) ~~shall~~ must be made according to subsection (2).

(2) (a) At the beginning of each fiscal year the administrator division shall request and, except as provided in subsection (2)(b), the state auditor shall issue from the state special revenue fund and deliver to the administrator division an amount certified to be equal to the total annual dollar difference between the total retirement allowances benefits paid to all retirees or their surviving spouses or dependent children in the previous fiscal year and the total benefits payable on June 30, 1973. The administrator division shall deposit this money into the pension trust fund.

(b) If insufficient money is contained in the state special revenue fund to pay the amount requested in subsection (2)(a), the auditor shall pay to the administrator division the balance contained in the state special revenue fund. The administrator division shall continue to request any portion of the amount requested under subsection (2)(a) not paid in previous fiscal years plus sufficient interest to reimburse the pension trust fund as-defined-in-19-13-1047-and-the, which amounts must be paid to the division prior to determining whether sufficient cash remains in the special revenue fund to make any payments

1 into the account established in 19-13-506. The auditor shall
 2 pay the requests as money in the state special revenue fund
 3 becomes available."

4 **Section 231.** Section 19-13-1007, MCA, is amended to
 5 read:

6 "19-13-1007. Allowance Benefit adjustment. (1) For a
 7 member retiring on or after July 1, 1973, who was hired
 8 before July 1, 1981, or his the member's surviving spouse or
 9 dependent children, the service retirement allowance benefit
 10 provided in 19-13-704(1)(a), the disability retirement
 11 allowance benefit provided in 19-13-803(1), and the
 12 survivorship allowance benefit provided in 19-13-902(1) may
 13 not be less than one-half the monthly compensation paid to a
 14 newly confirmed, active firefighter of a city that last
 15 employed him the member as a firefighter, as provided each
 16 year in the budget of that city.

17 (2) For a member hired on or after July 1, 1981, or his
 18 the member's surviving spouse or dependent children, the
 19 disability retirement allowance benefit provided in
 20 19-13-803(2) and the survivorship allowance benefit provided
 21 in 19-13-902(2) may not be less than one-half the monthly
 22 compensation paid to a newly confirmed, active firefighter
 23 of a city that last employed him the member as a
 24 firefighter, as provided each year in the budget of that
 25 city.

1 (3) If after a member retires, the city that last
 2 employed him the member no longer employs a full-paid
 3 firefighter, the member's or his-beneficiary's-allowance
 4 survivor's benefit under subsections (1) and (2) must be
 5 adjusted on the basis of the average monthly compensation
 6 paid to all newly confirmed full-paid firefighters, as
 7 provided each year in the budgets of those cities that
 8 participate in the plan retirement system and employ a
 9 full-paid firefighter.

10 (4) If the employment of a vested member hired before
 11 July 1, 1981, is involuntarily discontinued before he the
 12 member reaches age 50 because of the termination of
 13 employment of all full-paid firefighters in the city that
 14 employed him the member, his the member's service retirement
 15 allowance benefit provided in 19-13-704(1)(b) and his the
 16 member's spouse's or dependent child's survivorship
 17 allowance benefit provided in 19-13-902(1) may not be less
 18 than:

19 (a) if the member has completed earned 20 years or more
 20 of membership service, one-half the average monthly
 21 compensation paid to all newly confirmed, full-paid
 22 firefighters, as provided each year in the budgets of those
 23 cities that participate in the plan retirement system and
 24 employ a full-paid firefighter; or

25 (b) if the member has completed earned more than 10 but

less than 20 years of membership service, 2% of the average monthly compensation paid to all newly confirmed, full-paid firefighters, as provided each year in the budgets of those cities that participate in the plan retirement system and employ a full-paid firefighter, for each year of the member's service.

~~{5}--In-lieu--of--the--benefit--adjustment--provided--in subsection--(4)--a--member--may--elect--to--receive--an--early retirement--allowance--beginning--upon--termination--of employment--that--is--the--actuarial--equivalent--of--the--accrued portion--of--the--service--retirement--allowance--that--would--have been--payable--to--him--beginning--at--age--50--"~~

Section 232. Section 19-13-1009, MCA, is amended to read:

"19-13-1009. Supplement to retirement allowances benefits for persons hired on or after July 1, 1981. (1) The administrator division shall pay a supplemental allowance benefit from the account provided for in 19-13-506 to each member hired on or after July 1, 1981, who has both completed earned 25 years of membership service and reached age 50 as an active firefighter or to his the member's surviving spouse or dependent children. Except as provided in subsection (2), the supplemental allowance benefit, when added to the service retirement allowance benefit, must equal one-half the regular monthly compensation paid to a

newly confirmed full-paid active firefighter of the city that last employed him the member as a firefighter as provided each year in the budget of that city. If after a member retires, the city that last employed him the member no longer employs a full-paid firefighter, the member's supplemental allowance benefit must be calculated on the basis of the average monthly compensation paid to all newly confirmed full-paid firefighters, as provided each year in the budgets of those cities that participate in the plan retirement system and employ a full-paid firefighter.

(2) If the amount available to the account is insufficient to fully fund the supplemental allowance benefit provided for in subsection (1), the supplemental allowance benefit for each eligible member or survivor must be reduced by an equal percentage so that the amount contained in the account is not exceeded."

Section 233. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105; 2-18-812; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111; 15-23-706; 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121; 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-424; 17-5-704; 17-5-804; 17-6-409; 17-7-304; [section 12]; ~~19-5-404~~; 19-6-709; ~~19-8-504~~; ~~19-9-702~~; 19-9-1007; 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513; 19-11-606; 19-12-301; ~~19-13-604~~; 19-15-101; 20-4-109; 20-6-406; 20-8-111; 20-9-361; 20-26-1503; 22-3-811; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 27-12-206; 37-43-204; 37-51-501; 39-71-2504; 44-12-206; 44-13-102; 53-6-150; 53-24-206; 61-5-121; 67-3-205; 75-1-1101; 75-5-507; 75-5-1108; 75-11-313; 76-12-123; 77-1-808; 80-2-103; 80-11-310; 82-11-136; 82-11-161; 85-1-220; 90-3-301; 90-4-215; 90-6-331; 90-7-220; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due,

that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for supplemental benefit; and pursuant to sec. 18, Ch. 748, L. 1991, the inclusion of 22-3-811 terminates June 30, 1993.)"

Section 234. Section 31-2-106, MCA, is amended to read:

"31-2-106. **Exempt property** -- bankruptcy proceeding. No An individual may not exempt from the property of the estate in any bankruptcy proceeding the property specified in 11 U.S.C. 522(d). An individual may exempt from the property of the estate in any bankruptcy proceeding:

(1) that property exempt from execution of judgment as provided in 19-3-105, 19-4-706, ~~19-5-704~~, ~~19-6-705~~, ~~19-7-705~~, ~~19-8-805~~, ~~19-9-1006~~, 19-10-504, 19-11-612, ~~19-13-1004~~, 19-21-212, Title 25, chapter 13, part 6, 33-7-522, 33-15-512 through 33-15-514, 35-10-502, 39-51-3105, 39-71-743, 39-73-110, 53-2-607, 53-9-129, Title 70, chapter 32, and 80-2-245;

(2) the individual's right to receive unemployment compensation and unemployment benefits; and

(3) the individual's right to receive benefits from or interest in a private or governmental retirement, pension, stock bonus, profit-sharing, annuity, or similar plan or contract on account of illness, disability, death, age, or length of service, excluding that portion of contributions made by the individual within 1 year before the filing of the petition in bankruptcy which exceeds 15% of the individual's gross income for that 1-year period, unless:

(a) the plan or contract was established by or under the auspices of an insider that employed the individual at the time the individual's rights under the plan or contract arose;

(b) the benefit is paid on account of age or length of service; and

(c) the plan or contract does not qualify under section 401(a), 403(a), 403(b), 408, or 409 of the Internal Revenue Code of 1954 (26 U.S.C. 401(a), 403(b), 408, or 409)."

Section 235. Section 44-1-518, MCA, is amended to read:

"44-1-518. Contribution for retirement -- length of service credit -- transfer of retirement contributions and length of service credit. (1) When an officer receives compensation under 44-1-511, the officer's contribution for retirement under 19-6-402 must be paid on the compensation

received under 44-1-511 and the state's contribution for retirement under 19-6-404 must be paid on the compensation received under 44-1-511.

(2) The time for which contributions are paid under 44-1-511 shall be credited to the length of service computed for retirement purposes under ~~19-6-302~~ [section 21].

(3) When a disabled officer who qualifies for benefits under 44-1-511 accepts a transfer under 44-1-515 to a nonhighway patrol position within the department of justice that is covered under the Public Employees' Retirement System Act, all of the officer's length of service credited with the Montana patrol officers' retirement system ~~shall~~ must be transferred to the public employees' retirement system in the officer's credit and the officer's accumulated contributions and the state's adjusted contributions, with accrued interest, credited to the officer in the Montana highway patrol officers' retirement account ~~shall~~ must be transferred to the public employees' retirement account in the officer's credit. The state's "adjusted contributions" means an amount equal to the amount that would have been contributed by the state had the transferred service been employment covered under the public employees' retirement system."

NEW SECTION. **Section 236. Repealer.** Sections 19-3-102, 19-3-307, 19-3-506, 19-3-804, 19-3-1001, 19-3-1003,

1 19-3-1004, 19-3-1107, 19-3-1108, 19-5-201, 19-5-202,
 2 19-5-302, 19-5-303, 19-5-304, 19-5-405, 19-5-406, 19-5-407,
 3 19-5-408, 19-5-602, 19-5-702, 19-5-703, 19-5-704, 19-5-705,
 4 19-5-706, 19-6-103, 19-6-104, 19-6-201, 19-6-202, 19-6-203,
 5 19-6-302, 19-6-303, 19-6-405, 19-6-406, 19-6-407, 19-6-408,
 6 19-6-409, 19-6-506, 19-6-602, 19-6-611, 19-6-702, 19-6-703,
 7 19-6-704, 19-6-705, 19-6-706, 19-6-708, 19-7-104, 19-7-201,
 8 19-7-202, 19-7-303, 19-7-304, 19-7-306, 19-7-307, 19-7-401,
 9 19-7-405, 19-7-406, 19-7-407, 19-7-408, 19-7-409, 19-7-602,
 10 19-7-611, 19-7-702, 19-7-703, 19-7-704, 19-7-705, 19-7-706,
 11 19-7-707, 19-8-103, 19-8-104, 19-8-201, 19-8-202, 19-8-203,
 12 19-8-303, 19-8-305, 19-8-401, 19-8-402, 19-8-403, 19-8-404,
 13 19-8-405, 19-8-406, 19-8-503, 19-8-505, 19-8-702, 19-8-711,
 14 19-8-802, 19-8-803, 19-8-804, 19-8-805, 19-8-806, 19-8-807,
 15 19-9-108, 19-9-201, 19-9-202, 19-9-203, 19-9-303, 19-9-304,
 16 19-9-305, 19-9-402, 19-9-501, 19-9-502, 19-9-504, 19-9-505,
 17 19-9-602, 19-9-603, 19-9-604, 19-9-701, 19-9-707, 19-9-802,
 18 19-9-901, 19-9-1001, 19-9-1002, 19-9-1003, 19-9-1005,
 19 19-9-1006, 19-9-1008, 19-9-1011, 19-9-1012, 19-13-106,
 20 19-13-109, 19-13-202, 19-13-203, 19-13-204, 19-13-303,
 21 19-13-304, 19-13-305, 19-13-401, 19-13-402, 19-13-501,
 22 19-13-502, 19-13-504, 19-13-505, 19-13-602, 19-13-603,
 23 19-13-608, 19-13-609, 19-13-801, 19-13-901, 19-13-1001,
 24 19-13-1002, 19-13-1003, 19-13-1004, 19-13-1005, and
 25 19-13-1008, MCA, are repealed.

1 **NEW SECTION. Section 237.** Coordination instruction.
 2 The code commissioner is instructed to change any references
 3 in legislation enacted by the 1993 legislature to reflect
 4 the recodification of Title 19.

5 **NEW SECTION. Section 238.** Codification and
 6 recodification instruction. (1) [Sections 1, 2, 6, 11, 12,
 7 21, 22, 39, 40, and 41] are intended to be codified as an
 8 integral part of Title 19 in the chapter referred to in
 9 subsection (8), and the provisions of Title 19 and the
 10 chapter referred to in subsection (8) apply to [sections 1,
 11 2, 6, 11, 12, 21, 22, 39, 40, and 41].

12 (2) [Sections 44, 48, 50, 65, and 83] are intended to
 13 be codified as an integral part of Title 19, chapter 3, and
 14 the provisions of Title 19, chapter 3, apply to [sections
 15 44, 48, 50, 65, and 83].

16 (3) [Section 93] is intended to be codified as an
 17 integral part of Title 19, chapter 5, and the provisions of
 18 Title 19, chapter 5, apply to [section 93].

19 (4) [Sections 110 and 129] are intended to be codified
 20 as an integral part of Title 19, chapter 6, and the
 21 provisions of Title 19, chapter 6, apply to [sections 110
 22 and 129].

23 (5) [Sections 132 and 152] are intended to be codified
 24 as an integral part of Title 19, chapter 7, and the
 25 provisions of Title 19, chapter 7, apply to [sections 132

1 and 152].

2 (6) [Sections 156 and 174] are intended to be codified
3 as an integral part of Title 19, chapter 8, and the
4 provisions of Title 19, chapter 8, apply to [sections 156
5 and 174].

6 (7) [Section 195] is intended to be codified as an
7 integral part of Title 19, chapter 9, and the provisions of
8 Title 19, chapter 9, apply to [section 195].

9 (8) The following sections are intended to be
10 renumbered and codified as a new chapter in Title 19:
11 19-3-104, 19-3-105, 19-3-106, 19-3-107, 19-3-301, 19-3-302,
12 19-3-304, 19-3-305, 19-3-306, 19-3-406, 19-3-502, 19-3-508,
13 19-3-601, 19-3-602, 19-3-603, 19-3-604, 19-3-605, 19-3-606,
14 19-3-702, 19-3-703, 19-3-704, 19-3-802, 19-3-805, 19-3-1301,
15 19-3-1302, 19-3-1304, 19-3-1305, 19-3-1401, 19-3-1402,
16 19-3-1403, 19-3-1404, 19-5-104, 19-5-611, 19-7-103, and
17 19-9-1004.

18 (9) The code commissioner is instructed to renumber and
19 recodify chapters 3, 5 through 9, and 13 of Title 19.

20 NEW SECTION. Section 239. Effective date. [This act]
21 is effective July 1, 1993.

-End-

1 *Senate* BILL NO. *385*
 2 INTRODUCED BY *Laughton* *Barrett* *Blaylock*
 3 BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD *Finley*
 4 *Shaw* *Morgan* *Rock* *Smiley* *Hockett*
 5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING AND
 6 RECODIFYING THE PUBLIC EMPLOYEES', THE JUDGES', THE HIGHWAY
 7 PATROL OFFICERS', THE SHERIFFS', THE GAME WARDENS', THE
 8 MUNICIPAL POLICE OFFICERS', AND THE FIREFIGHTERS' UNIFIED
 9 RETIREMENT SYSTEMS; AMENDING SECTIONS 17-7-502, 19-3-103,
 10 19-3-104, 19-3-105, 19-3-107, 19-3-201, 19-3-203, 19-3-204,
 11 19-3-301, 19-3-304, 19-3-305, 19-3-306, 19-3-401, 19-3-403,
 12 19-3-404, 19-3-405, 19-3-406, 19-3-501, 19-3-502, 19-3-503,
 13 19-3-504, 19-3-505, 19-3-508, 19-3-509, 19-3-510, 19-3-511,
 14 19-3-512, 19-3-513, 19-3-601, 19-3-602, 19-3-603, 19-3-604,
 15 19-3-605, 19-3-606, 19-3-701, 19-3-702, 19-3-703, 19-3-704,
 16 19-3-801, 19-3-802, 19-3-805, 19-3-901, 19-3-902, 19-3-903,
 17 19-3-904, 19-3-905, 19-3-906, 19-3-907, 19-3-1002,
 18 19-3-1005, 19-3-1006, 19-3-1007, 19-3-1008, 19-3-1101,
 19 19-3-1102, 19-3-1103, 19-3-1104, 19-3-1105, 19-3-1106,
 20 19-3-1109, 19-3-1110, 19-3-1111, 19-3-1201, 19-3-1202,
 21 19-3-1203, 19-3-1204, 19-3-1205, 19-3-1301, 19-3-1302,
 22 19-3-1304, 19-3-1305, 19-3-1401, 19-3-1402, 19-3-1403,
 23 19-5-101, 19-5-102, 19-5-103, 19-5-104, 19-5-301, 19-5-401,
 24 19-5-402, 19-5-403, 19-5-404, 19-5-501, 19-5-502, 19-5-503,
 25 19-5-601, 19-5-603, 19-5-604, 19-5-611, 19-5-612, 19-5-701,

THERE ARE NO CHANGES ON THIS BILL
 AND WILL NOT BE REPRINTED. PLEASE
 REFER TO INTRODUCED (WHITE) BILL
 FOR COMPLETE TEXT.

1 *Senate* BILL NO. *385*
 2 INTRODUCED BY *Vaughan Burroughs Blaylock*
 3 BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD *Jack*
 4 *Spencer Merrigan Paul Gunkler Hockett*
 5 A BILL FOR AN ACT ENTITLED: *Barbara J. Wilson* "AN ACT GENERALLY REVISING AND
 6 RECODIFYING THE PUBLIC EMPLOYEES', THE JUDGES', THE HIGHWAY
 7 PATROL OFFICERS', THE SHERIFFS', THE GAME WARDENS', THE
 8 MUNICIPAL POLICE OFFICERS', AND THE FIREFIGHTERS' UNIFIED
 9 RETIREMENT SYSTEMS; AMENDING SECTIONS 17-7-502, 19-3-103,
 10 19-3-104, 19-3-105, 19-3-107, 19-3-201, 19-3-203, 19-3-204,
 11 19-3-301, 19-3-304, 19-3-305, 19-3-306, 19-3-401, 19-3-403,
 12 19-3-404, 19-3-405, 19-3-406, 19-3-501, 19-3-502, 19-3-503,
 13 19-3-504, 19-3-505, 19-3-508, 19-3-509, 19-3-510, 19-3-511,
 14 19-3-512, 19-3-513, 19-3-601, 19-3-602, 19-3-603, 19-3-604,
 15 19-3-605, 19-3-606, 19-3-701, 19-3-702, 19-3-703, 19-3-704,
 16 19-3-801, 19-3-802, 19-3-805, 19-3-901, 19-3-902, 19-3-903,
 17 19-3-904, 19-3-905, 19-3-906, 19-3-907, 19-3-1002,
 18 19-3-1005, 19-3-1006, 19-3-1007, 19-3-1008, 19-3-1101,
 19 19-3-1102, 19-3-1103, 19-3-1104, 19-3-1105, 19-3-1106,
 20 19-3-1109, 19-3-1110, 19-3-1111, 19-3-1201, 19-3-1202,
 21 19-3-1203, 19-3-1204, 19-3-1205, 19-3-1301, 19-3-1302,
 22 19-3-1304, 19-3-1305, 19-3-1401, 19-3-1402, 19-3-1403,
 23 19-5-101, 19-5-102, 19-5-103, 19-5-104, 19-5-301, 19-5-401,
 24 19-5-402, 19-5-403, 19-5-404, 19-5-501, 19-5-502, 19-5-503,
 25 19-5-601, 19-5-603, 19-5-604, 19-5-611, 19-5-612, 19-5-701,

THERE ARE NO CHANGES ON THIS BILL
 AND WILL NOT BE REPRINTED. PLEASE
 REFER TO INTRODUCED (WHITE) BILL
 FOR COMPLETE TEXT.

SENATE BILL NO. 385

INTRODUCED BY VAUGHN, BURNETT, BLAYLOCK, FRITZ,

SQUIRES, MENAHAN, PECK, QUILICI, HOCKETT, GAGE,

BARDANOUE, PETERSON, SIMPKINS

BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING AND RECODIFYING THE PUBLIC EMPLOYEES', THE JUDGES', THE HIGHWAY PATROL OFFICERS', THE SHERIFFS', THE GAME WARDENS', THE MUNICIPAL POLICE OFFICERS', AND THE FIREFIGHTERS' UNIFIED RETIREMENT SYSTEMS; AMENDING SECTIONS 17-7-502, 19-3-103, 19-3-104, 19-3-105, 19-3-107, 19-3-201, 19-3-203, 19-3-204, 19-3-301, 19-3-304, 19-3-305, 19-3-306, 19-3-401, 19-3-403, 19-3-404, 19-3-405, 19-3-406, 19-3-501, 19-3-502, 19-3-503, 19-3-504, 19-3-505, 19-3-508, 19-3-509, 19-3-510, 19-3-511, 19-3-512, 19-3-513, 19-3-601, 19-3-602, 19-3-603, 19-3-604, 19-3-605, 19-3-606, 19-3-701, 19-3-702, 19-3-703, 19-3-704, 19-3-801, 19-3-802, 19-3-805, 19-3-901, 19-3-902, 19-3-903, 19-3-904, 19-3-905, 19-3-906, 19-3-907, 19-3-1002, 19-3-1005, 19-3-1006, 19-3-1007, 19-3-1008, 19-3-1101, 19-3-1102, 19-3-1103, 19-3-1104, 19-3-1105, 19-3-1106, 19-3-1109, 19-3-1110, 19-3-1111, 19-3-1201, 19-3-1202, 19-3-1203, 19-3-1204, 19-3-1205, 19-3-1301, 19-3-1302, 19-3-1304, 19-3-1305, 19-3-1401, 19-3-1402, 19-3-1403, 19-5-101, 19-5-102, 19-5-103, 19-5-104, 19-5-301, 19-5-401,

19-5-402, 19-5-403, 19-5-404, 19-5-501, 19-5-502, 19-5-503, 19-5-601, 19-5-603, 19-5-604, 19-5-611, 19-5-612, 19-5-701, 19-6-101, 19-6-102, 19-6-301, 19-6-304, 19-6-305, 19-6-306, 19-6-401, 19-6-402, 19-6-403, 19-6-404, 19-6-501, 19-6-502, 19-6-503, 19-6-505, 19-6-601, 19-6-603, 19-6-604, 19-6-612, 19-6-707, 19-6-709, 19-7-101, 19-7-102, 19-7-103, 19-7-301, 19-7-302, 19-7-308, 19-7-309, 19-7-310, 19-7-311, 19-7-402, 19-7-403, 19-7-404, 19-7-501, 19-7-502, 19-7-503, 19-7-504, 19-7-601, 19-7-604, 19-7-612, 19-7-701, 19-7-708, 19-7-709, 19-7-710, 19-8-101, 19-8-102, 19-8-301, 19-8-302, 19-8-304, 19-8-306, 19-8-307, 19-8-501, 19-8-502, 19-8-504, 19-8-601, 19-8-603, 19-8-604, 19-8-701, 19-8-703, 19-8-704, 19-8-712, 19-8-801, 19-8-808, 19-8-809, 19-8-810, 19-8-816, 19-9-103, 19-9-104, 19-9-105, 19-9-106, 19-9-107, 19-9-301, 19-9-401, 19-9-403, 19-9-405, 19-9-503, 19-9-601, 19-9-702, 19-9-703, 19-9-705, 19-9-706, 19-9-801, 19-9-804, 19-9-902, 19-9-903, 19-9-904, 19-9-905, 19-9-911, 19-9-912, 19-9-1004, 19-9-1007, 19-13-103, 19-13-104, 19-13-105, 19-13-107, 19-13-108, 19-13-110, 19-13-201, 19-13-301, 19-13-302, 19-13-403, 19-13-404, 19-13-503, 19-13-506, 19-13-601,

THERE ARE NO CHANGES IN THIS BILL.
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