

1

House BILL NO. 298

2 INTRODUCED BY

*Calvin Kiteley* *Timothy Simpkins* *Rose Beck*  
*Thaddeus Beck* *Debbie Miller* *Debra Murphy* *B. B. Bentler*

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE NUMBER OF HOURS A RETIREE MAY RETURN  
5 TO COVERED EMPLOYMENT UNDER THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM PRIOR TO A  
6 TEMPORARY REDUCTION IN SERVICE RETIREMENT BENEFITS; INCREASING THE EARNINGS LIMITATION  
7 FOR RETIRED MEMBERS WHO ARE 65 YEARS OF AGE AND OLDER; PROVIDING AN EXCEPTION;  
8 AMENDING SECTION 19-3-1106, MCA; AND PROVIDING AN EFFECTIVE DATE."

9

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

11

12 Section 1. Section 19-3-1106, MCA, is amended to read:

13 "19-3-1106. Limited reemployment -- reduction of service retirement benefit upon exceeding limits  
14 -- exception. (1) A retired member under 65 years of age who is receiving a service retirement benefit may  
15 return to employment covered by the retirement system for a period not to exceed 600 640 hours in any  
16 calendar year without returning to active service and without any effect to the retiree's retirement benefit.  
17 The retirement benefit for any retiree exceeding this 600-hour 640-hour limitation in any calendar year after  
18 retirement must be temporarily reduced \$1 for each \$1 earned after working 600 640 hours in that calendar  
19 year.

20 (2) A retiree 65 years of age or older who returns to employment covered by the retirement system  
21 is either subject to the 600-hour 640-hour limitation of subsection (1) or may earn in any calendar year an  
22 amount equal to 50% of that, when added to the retiree's current annual retirement benefits, will not  
23 exceed the member's annualized final average salary, adjusted for inflation as of January 1 of the current  
24 calendar year, whichever limitation provides the greater higher limit on earned compensation to the retiree,  
25 in any calendar year. Upon reaching the applicable limitation, the retiree's benefits must be temporarily  
26 reduced \$1 for each \$1 in other income of compensation earned in covered service beyond the applicable  
27 limitation during that calendar year.

28 (3) A retiree returning to employment covered by the retirement system shall report to the board  
29 the number of hours worked by the retiree and the gross compensation paid to the retiree in that  
30 employment during any month after retirement.

1                   (4) A retiree returning to employment covered by the retirement system may elect to return to  
2 active membership at any time during this period of covered employment.

3                   (5) This section does not apply to a retired member 70 1/2 years of age or older."

4

5                   **NEW SECTION. Section 2. Effective date.** [This act] is effective July 1, 1995.

6

-END-

1 *House BILL NO. 298*  
2 INTRODUCED BY *Sabrina Kitner, Jerry Simkin, Rose Beck*  
3 *Thaddeus Beck, Darlene Thompson, B. B. Smith*  
4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE NUMBER OF HOURS A RETIREE MAY RETURN  
5 TO COVERED EMPLOYMENT UNDER THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM PRIOR TO A  
6 TEMPORARY REDUCTION IN SERVICE RETIREMENT BENEFITS; INCREASING THE EARNINGS LIMITATION  
7 FOR RETIRED MEMBERS WHO ARE 65 YEARS OF AGE AND OLDER; PROVIDING AN EXCEPTION;  
8 AMENDING SECTION 19-3-1106, MCA; AND PROVIDING AN EFFECTIVE DATE."

9  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11  
12 Section 1. Section 19-3-1106, MCA, is amended to read:

13 **"19-3-1106. Limited reemployment -- reduction of service retirement benefit upon exceeding limits**  
14 **-- exception.** (1) A retired member under 65 years of age who is receiving a service retirement benefit may  
15 return to employment covered by the retirement system for a period not to exceed 600 640 hours in any  
16 calendar year without returning to active service and without any effect to the retiree's retirement benefit.  
17 The retirement benefit for any retiree exceeding this 600-hour 640-hour limitation in any calendar year after  
18 retirement must be temporarily reduced \$1 for each \$1 earned after working 600 640 hours in that calendar  
19 year.

20 (2) A retiree 65 years of age or older who returns to employment covered by the retirement system  
21 is either subject to the 600-hour 640-hour limitation of subsection (1) or may earn in any calendar year an  
22 amount equal to 50% of that, when added to the retiree's current annual retirement benefits, will not  
23 exceed the member's annualized final average salary, adjusted for inflation as of January 1 of the current  
24 calendar year, whichever limitation provides the greater higher limit on earned compensation to the retiree;  
25 in any calendar year. Upon reaching the applicable limitation, the retiree's benefits must be temporarily  
26 reduced \$1 for each \$1 in other income of compensation earned in covered service beyond the applicable  
27 limitation during that calendar year.

28 (3) A retiree returning to employment covered by the retirement system shall report to the board  
29 the number of hours worked by the retiree and the gross compensation paid to the retiree in that  
30 employment during any month after retirement.

1                   (4) A retiree returning to employment covered by the retirement system may elect to return to  
2 active membership at any time during this period of covered employment.

3                   (5) This section does not apply to a retired member 70 1/2 years of age or older."

4

5                   **NEW SECTION. Section 2. Effective date.** [This act] is effective July 1, 1995.

6

-END-

House BILL No. 298

## INTRODUCED BY

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE NUMBER OF HOURS A RETIREE MAY RETURN TO COVERED EMPLOYMENT UNDER THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM PRIOR TO A TEMPORARY REDUCTION IN SERVICE RETIREMENT BENEFITS; INCREASING THE EARNINGS LIMITATION FOR RETIRED MEMBERS WHO ARE 65 YEARS OF AGE AND OLDER; PROVIDING AN EXCEPTION; AMENDING SECTION 19-3-1106, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

**Section 1.** Section 19-3-1106, MCA, is amended to read:

**\*19-3-1106. Limited reemployment -- reduction of service retirement benefit upon exceeding limits -- exception.** (1) A retired member under 65 years of age who is receiving a service retirement benefit may return to employment covered by the retirement system for a period not to exceed ~~600~~ 640 hours in any calendar year without returning to active service and without any effect to the retiree's retirement benefit. The retirement benefit for any retiree exceeding this ~~600-hour~~ 640-hour limitation in any calendar year after retirement must be temporarily reduced \$1 for each \$1 earned after working ~~600~~ 640 hours in that calendar year.

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



- 1 -

HB398

### THIRD READING

1                   (4) A retiree returning to employment covered by the retirement system may elect to return to  
2 active membership at any time during this period of covered employment.

3                   (5) This section does not apply to a retired member 70 1/2 years of age or older."

4

5                   **NEW SECTION. Section 2. Effective date.** [This act] is effective July 1, 1995.

6

-END-

HOUSE BILL NO. 298

INTRODUCED BY GALVIN, KITZENBERG, SIMPKINS, ROSE, BECK, KADAS, PECK, QUILICI,  
DEBRUYCKER, BARNHART

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE NUMBER OF HOURS A RETIREE MAY RETURN  
6 TO COVERED EMPLOYMENT UNDER THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM PRIOR TO A  
7 TEMPORARY REDUCTION IN SERVICE RETIREMENT BENEFITS; INCREASING THE EARNINGS LIMITATION  
8 FOR RETIRED MEMBERS WHO ARE 65 YEARS OF AGE AND OLDER; PROVIDING AN EXCEPTION;  
9 AMENDING SECTION 19-3-1106, MCA; AND PROVIDING AN EFFECTIVE DATE."

10

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

12

13                   **Section 1.** Section 19-3-1106, MCA, is amended to read:

29 (3) A retiree returning to employment covered by the retirement system shall report to the board  
30 the number of hours worked by the retiree and the gross compensation paid to the retiree in that

1 employment during any month after retirement.

2 (4) A retiree returning to employment covered by the retirement system may elect to return to  
3 active membership at any time during this period of covered employment.

4 (5) This section does not apply to a retired member 70 1/2 years of age or older."

5

6 **NEW SECTION. Section 2. Effective date.** [This act] is effective July 1, 1995.

7

-END-

GOVERNOR'S AMENDMENTS TO  
HOUSE BILL NO. 298  
(REFERENCE COPY)  
March 13, 1995

1. Page 2, line 4.

Following: "(5)"

Strike: remainder of line 4 in its entirety

Insert: "A retired member 70 1/2 years of age or older who returns to employment covered by the retirement system is not subject to the hour or earnings limitations in subsections (1) and (2) or the reporting requirements in subsection (3)."

HB 298  
Gov. Am.

HOUSE BILL NO. 298

INTRODUCED BY GALVIN, KITZENBERG, SIMPKINS, ROSE, BECK, KADAS, PECK, QUILICI,  
DEBRUYCKER, BARNHART

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE NUMBER OF HOURS A RETIREE MAY RETURN  
6 TO COVERED EMPLOYMENT UNDER THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM PRIOR TO A  
7 TEMPORARY REDUCTION IN SERVICE RETIREMENT BENEFITS; INCREASING THE EARNINGS LIMITATION  
8 FOR RETIRED MEMBERS WHO ARE 65 YEARS OF AGE AND OLDER; PROVIDING AN EXCEPTION;  
9 AMENDING SECTION 19-3-1106, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

**Section 1.** Section 19-3-1106, MCA, is amended to read:

14        "19-3-1106. Limited reemployment -- reduction of service retirement benefit upon exceeding limits  
15        -- exception. (1) A retired member under 65 years of age who is receiving a service retirement benefit may  
16        return to employment covered by the retirement system for a period not to exceed ~~600~~ 640 hours in any  
17        calendar year without returning to active service and without any effect to the retiree's retirement benefit.  
18        The retirement benefit for any retiree exceeding this ~~600-hour~~ 640-hour limitation in any calendar year after  
19        retirement must be temporarily reduced \$1 for each \$1 earned after working ~~600~~ 640 hours in that calendar  
20        year.

29 (3) A retiree returning to employment covered by the retirement system shall report to the board  
30 the number of hours worked by the retiree and the gross compensation paid to the retiree in that

1 employment during any month after retirement.

2 (4) A retiree returning to employment covered by the retirement system may elect to return to  
3 active membership at any time during this period of covered employment.

4 ~~(5) This section does not apply to a retired member 70 1/2 years of age or older. A RETIRED~~  
5 ~~MEMBER 70 1/2 YEARS OF AGE OR OLDER WHO RETURNS TO EMPLOYMENT COVERED BY THE~~  
6 ~~RETIREMENT SYSTEM IS NOT SUBJECT TO THE HOUR OR EARNINGS LIMITATIONS IN SUBSECTIONS~~  
7 ~~(1) AND (2) OR THE REPORTING REQUIREMENTS IN SUBSECTION (3)."~~

8

9 **NEW SECTION. Section 2. Effective date.** [This act] is effective July 1, 1995.

10

-END-