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House BILL NO. 374

INTRODUCED BY

Sabin *Saper*, *Kotwicky* *Hannigan* *Marolo*

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE TEACHERS' RETIREMENT BOARD, WITH THE CONSENT OF A BENEFIT RECIPIENT, TO PROVIDE FOR THE AUTOMATIC WITHHOLDING FROM THE RECIPIENT'S BENEFIT CHECK OF DUES FOR MEMBERSHIP IN A NONPROFIT ORGANIZATION."

STATEMENT OF INTENT

A statement of intent is required for this bill because [section 1] gives the teachers' retirement board authority to adopt rules to implement the provisions of the bill.

It is the intent of the legislature to allow the teachers' retirement board to withhold from a recipient's benefit check dues for membership in any nonprofit organization that represents a significant number of retirees. However, the legislature intends that the teachers' retirement board limit withholding of dues to only those organizations that it considers appropriate and that the dues be withheld only with the consent of the affected benefit recipient.

The teachers' retirement board may use its discretion in promulgating rules to implement this intent, such as providing that membership dues for any organization are not indefinitely or permanently deducted, that the organizations are nonprofit organizations qualified under section 501(c)(3) of the Internal Revenue Code, that benefit recipients are given ample notice of the opportunity to terminate withholding, or that the option to have dues automatically withheld is limited to specific categories of benefit recipients or to a minimum number of participants.

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

NEW SECTION. **Section 1. Withholding of membership dues -- rules.** (1) The retirement board may, with the consent of the affected benefit recipient, provide for the automatic withholding from the recipient's benefit check of dues for membership in a nonprofit organization representing the retirement system's retirees.

(2) The board shall adopt rules to implement this section and to specify eligible organizations, the appropriate notice to be given to benefit recipients of the opportunity to initiate or terminate the

1 withholding, the frequency and timing of the withholding, the minimum participation required to efficiently
2 provide that the dues are withheld, the recipients that are eligible to participate, and the required
3 administrative procedures.

4

5 NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an
6 integral part of Title 19, chapter 20, part 2, and the provisions of Title 19, chapter 20, part 2, apply to
7 [section 1].

8

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0374, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

A bill allowing the Teachers' Retirement Board, with the consent of a benefit recipient, to provide for the automatic withholding from the recipient's benefit check of dues for membership in a nonprofit organization.

ASSUMPTIONS:

1. No computer programming changes would be necessary.
2. The nonprofit organizations will notify retirees of the option to have dues withheld from their TRS benefit.

FISCAL IMPACT:

None

Dave Lewis 2-6-95
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Harper
HAL HARPER, PRIMARY SPONSOR DATE
Fiscal Note for HB0374, as introduced
HB 374