

House BILL NO. 569INTRODUCED BY *Aguiar*

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING CERTAIN FIREFIGHTERS WHO ARE MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO ELECT TO REMAIN IN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM INSTEAD OF TRANSFERRING TO THE FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM WHEN THE FIREFIGHTER IS HIRED INTO A POSITION THAT WOULD OTHERWISE BE COVERED UNDER THE FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM; AMENDING SECTION 19-13-301, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 19-13-301, MCA, is amended to read:

"19-13-301. Active membership -- inactive vested member -- inactive nonvested member. (1) Except as provided in subsection (7), a full-paid firefighter becomes an active member of the retirement system:

(a) on the first day of the firefighter's service with an employer;

(b) on July 1, 1981, if the firefighter is employed by an employer on that date; or

(c) in the case of an employer that elects to join the retirement system as provided in 19-13-211, on the effective date of the election if the firefighter is employed by the employer on that date.

(2) Upon becoming eligible for membership, the firefighter shall complete the forms and furnish any proof required by the board.

(3) A part-paid firefighter may elect to become a member of the retirement system by filing a membership application with the board.

(4) An active member becomes an inactive member upon the occurrence of the earliest of the following:

(a) the date on which the member ceases service with an employer;

(b) the 31st day of an approved absence from active duty with an employer; or

(c) the date on which the member ceases to be employed because of a reduction of the number of firefighters in the fire department as provided in 7-33-4125.

1 (5) A member with at least 10 years of membership service who terminates service and does not
2 take a refund of accumulated contributions is an inactive vested member and retains the right to purchase
3 service and to receive a retirement benefit under the provisions of this chapter.

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

8 (7) (a) A firefighter previously employed in a position covered under the public employees'
9 retirement system and who is first hired into a position covered under the firefighters' unified retirement
10 system after attaining 40 years of age may elect to remain in the public employees' retirement system.

11 (b) A firefighter making an election to remain in the public employees' retirement system shall make
12 the election in a manner prescribed by the board within 1 month of being hired into the position otherwise
13 covered under the firefighters' unified retirement system."

14

15 **NEW SECTION. Section 2. Coordination instruction.** If ___ Bill No. ___ (LC 889) is passed and
16 approved and if it amends 19-13-301 and 19-13-704 to reduce vesting requirements in the firefighters'
17 unified retirement system from 10 years to 5 years, then "40", as is appears in [section 1(7)(a) of this act],
18 must be amended to read "45".

19

20 **NEW SECTION. Section 3. Effective date.** [This act] is effective on passage and approval.

21

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0569, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

A bill allowing certain firefighters who are members of the Public Employees' Retirement System (PERS) to elect to remain in the Public Employees' Retirement System instead of transferring to the Firefighter's Unified Retirement System.

FISCAL IMPACT:

Passage of HB 569 would have no fiscal impact on state government.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The employer contribution rate for the Firefighters' Unified Retirement System is 14.36%, whereas the PERS employer rate is 6.7%.

Dave Lewis 2-21-97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Carolyn Squires 2/22/97
CAROLYN SQUIRES, PRIMARY SPONSOR DATE
Fiscal Note for HB0569, as introduced

HB 569

House BILL NO. 569INTRODUCED BY *Squires*

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING CERTAIN FIREFIGHTERS WHO ARE MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO ELECT TO REMAIN IN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM INSTEAD OF TRANSFERRING TO THE FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM WHEN THE FIREFIGHTER IS HIRED INTO A POSITION THAT WOULD OTHERWISE BE COVERED UNDER THE FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM; AMENDING SECTION 19-13-301, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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(a) on the first day of the firefighter's service with an employer;

(b) on July 1, 1981, if the firefighter is employed by an employer on that date; or

(c) in the case of an employer that elects to join the retirement system as provided in 19-13-211, on the effective date of the election if the firefighter is employed by the employer on that date.

(2) Upon becoming eligible for membership, the firefighter shall complete the forms and furnish any proof required by the board.

(3) A part-paid firefighter may elect to become a member of the retirement system by filing a membership application with the board.

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(c) the date on which the member ceases to be employed because of a reduction of the number of firefighters in the fire department as provided in 7-33-4125.

House BILL NO. 569INTRODUCED BY *Sydney*

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10 system after attaining 40 years of age may elect to remain in the public employees' retirement system.

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APPROVED BY COM ON
STATE ADMINISTRATIONHouse BILL NO. 569INTRODUCED BY *[Signature]*

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1 HOUSE BILL NO. 569

2 INTRODUCED BY SQUIRES

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