

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_  
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING RETIRED MEMBERS OF THE TEACHERS'  
5 RETIREMENT SYSTEM TO RETURN TO WORK AND RECEIVE A SALARY WITHOUT A LOSS OF  
6 RETIREMENT BENEFITS; AMENDING SECTION 19-20-804, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

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10 NEW SECTION. **Section 1. Returning to work.** Except as provided in 19-20-804(2), a retired  
11 member who returns to employment in a position covered by the retirement system may:

12 (1) elect to become an active member of the retirement system, in which case the member's  
13 retirement benefit payments must cease, contributions must be made pursuant to the provisions of this  
14 chapter, and the member shall continue to accrue service credit in the system; or

15 (2) decline to become an active member of the system and return to work without loss of benefits.

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17 **Section 2.** Section 19-20-804, MCA, is amended to read:

18 **"19-20-804. Allowance for service retirement.** (1) Upon termination, an eligible member must  
19 receive a retirement allowance equal to one-sixtieth of the member's average final compensation, as limited  
20 by 19-20-715, multiplied by the sum of the number of years of creditable service and service transferred  
21 under 19-20-409.

22 ~~(2) Except as provided in subsection (4), a retired member may be employed part-time in a position~~  
23 ~~specified in 19-20-302 and may earn, without loss of retirement benefits, an amount not to exceed the~~  
24 ~~greater of:~~

25 ~~\_\_\_\_\_ (a) one-third of the sum of the member's average final compensation plus normal annual salary~~  
26 ~~increases for teaching personnel employed by the school district, state agency, political subdivision, or~~  
27 ~~university unit that employed the member at the time of retirement; or~~

28 ~~\_\_\_\_\_ (b) one-third of the median of the average final compensation for members retired during the~~  
29 ~~preceding fiscal year as determined by the retirement board.~~

30 ~~\_\_\_\_\_ (3) (a) Except as provided in subsection (4), the retirement benefit of a retired member employed~~

1 ~~in a full-time position or earning more than allowed by subsection (2) must be canceled beginning the~~  
 2 ~~month in which the retired member returns to full-time employment or earns more than allowed.~~

3 ~~———(b) The retirement benefits of a retired member who was employed in a full-time position or who~~  
 4 ~~exceeded the amount that the retired member was eligible to earn under subsection (2) and who was~~  
 5 ~~reemployed for less than 1 year must, upon termination of employment, be reinstated beginning the later~~  
 6 ~~of either the month following termination or July 1 of the school year following the date on which the~~  
 7 ~~retired member was reemployed. The reinstated retirement benefit is the amount that the retired member~~  
 8 ~~would have been entitled to receive had the retired member not returned to employment.~~

9 ~~———(c) Upon retirement after cancellation of a retired member's benefit pursuant to subsection (3)(a),~~  
 10 ~~a retired member who is reemployed as an active member for a minimum of 1 year of full-time service~~  
 11 ~~must receive a recalculated benefit. The recalculated benefit is based on the service credit accumulated~~  
 12 ~~at the time of the member's previous retirement plus any service credit accumulated subsequent to~~  
 13 ~~reemployment.~~

14 ~~(4)(2) If an early-retired member under 19-20-802 is reemployed with the same employer within~~  
 15 ~~30 days from the member's effective date of retirement or if the early-retired member is guaranteed~~  
 16 ~~reemployment with the same employer, the member must be considered to have continued in the status~~  
 17 ~~of an active member and not to have separated from service. Any retirement allowance payments received~~  
 18 ~~by the member must be repaid to the system, together with interest, at the actuarially assumed rate, and~~  
 19 ~~the retirement allowance must be terminated."~~

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21 NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an  
 22 integral part of Title 19, chapter 20, part 8, and the provisions of Title 19, chapter 20, part 8, apply to  
 23 [section 1].

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25 NEW SECTION. Section 4. Saving clause. [This act] does not affect rights and duties that  
 26 matured, penalties that were incurred, or proceedings that were begun before [the effective date of this  
 27 act].

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29 NEW SECTION. Section 5. Effective date. [This act] is effective July 1, 2000.

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