

## 1 SENATE BILL NO. 235

2 INTRODUCED BY V. COCCHIARELLA, BECK, DOHERTY, GALLUS, GLASER, HARGROVE,  
3 HARRINGTON, HAINES, KEANE, LEWIS, MAHLUM, D. MOOD, B. THOMAS, F. THOMAS, J. TROPILA

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5 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING A PROVISION IN THE PUBLIC EMPLOYEES',  
6 JUDGES', HIGHWAY PATROL OFFICERS', SHERIFFS', GAME WARDENS' AND PEACE OFFICERS',  
7 MUNICIPAL POLICE OFFICERS', AND FIREFIGHTERS' UNIFIED RETIREMENT SYSTEMS THAT PREVENTS  
8 A MEMBER FROM CONTINUING TO RECEIVE A GUARANTEED ANNUAL BENEFIT ADJUSTMENT IF THE  
9 MEMBER BECOMES ACTIVE IN ONE OF THE OTHER PUBLIC RETIREMENT SYSTEMS; AMENDING  
10 SECTIONS 19-3-1605, 19-5-901, 19-6-710, 19-7-711, 19-8-1105, 19-9-1009, AND 19-13-1010, MCA;  
11 REPEALING SECTION 19-2-1101, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

12  
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14  
15 **Section 1.** Section 19-3-1605, MCA, is amended to read:

16 **"19-3-1605. Guaranteed annual benefit adjustment.** (1) Subject to subsection (2), on January 1  
17 of each year, the permanent monthly benefit payable during the preceding January to each recipient who  
18 is eligible under subsection (3) must be increased by 1.5%.

19 (2) (a) If a recipient's benefit payable during the preceding January has been increased by one or  
20 more adjustments not provided for in this section and the adjustments amount to less than a 1.5%  
21 annualized increase, then the recipient's benefit must be adjusted by an amount that will provide a total  
22 annualized increase of 1.5% in the benefit paid since the preceding January.

23 (b) If a recipient's benefit payable during the preceding January has been increased by one or more  
24 adjustments not provided for in this section and the increases amount to more than a 1.5% annualized  
25 increase, then the benefit increase provided under this section must be 0%.

26 (c) If a benefit recipient is a contingent annuitant receiving an optional benefit upon the death of  
27 the original payee that occurred since the preceding January, the new recipient's monthly benefit must  
28 be increased to 1.5% more than the amount that the contingent annuitant would have received had the  
29 contingent annuitant received a benefit during the preceding January.

30 (3) Except as provided in subsection (2)(b), a benefit recipient is eligible for and must receive the

1 minimum annual benefit adjustment provided for in this section if:

2 ~~——(a) the benefit's commencement date is at least 36 months prior to January 1 of the year in which~~  
3 ~~the adjustment is to be made; and~~

4 ~~——(b) the benefit recipient is not an active member of a public retirement system covered by this~~  
5 ~~title.~~

6 (4) The board shall adopt rules to administer the provisions of this section."  
7

8 **Section 2.** Section 19-5-901, MCA, is amended to read:

9 **"19-5-901. Guaranteed annual benefit adjustment.** (1) Subject to subsection (2), on January 1  
10 of each year, the permanent monthly benefit payable during the preceding January to each recipient who  
11 is eligible under subsection (3) must be increased by 1.5%.

12 (2) (a) If a recipient's benefit payable during the preceding January has been increased by one or  
13 more adjustments not provided for in this section and the adjustments amount to less than a 1.5%  
14 annualized increase, then the recipient's benefit must be adjusted by an amount that will provide a total  
15 annualized increase of 1.5% in the benefit paid since the preceding January.

16 (b) If a recipient's benefit payable during the preceding January has been increased by one or more  
17 adjustments not provided for in this section and the increases amount to more than a 1.5% annualized  
18 increase, then the benefit increase provided under this section must be 0%.

19 (c) If a benefit recipient is a contingent annuitant receiving an optional benefit upon the death of  
20 the original payee that occurred since the preceding January, the new recipient's monthly benefit must  
21 be increased to 1.5% more than the amount that the contingent annuitant would have received had the  
22 contingent annuitant received a benefit during the preceding January.

23 (3) Except as provided in subsection (2)(b), a benefit recipient is eligible for and must receive the  
24 minimum annual benefit adjustment provided for in this section if:

25 (a) the benefit's commencement date is at least 36 months prior to January 1 of the year in which  
26 the adjustment is to be made;

27 ~~(b) the benefit recipient is not an active member of a public retirement system covered by this~~  
28 ~~title; and~~

29 ~~(c)~~(b) the member or benefit recipient either:

30 (i) first became an active member on or after July 1, 1997; or

1 (ii) filed a voluntary, irrevocable election to be covered under this section. The election must be  
2 filed with the board prior to January 1, 1998.

3 (4) The board shall adopt rules to administer the provisions of this section."  
4

5 **Section 3.** Section 19-6-710, MCA, is amended to read:

6 **"19-6-710. Guaranteed annual benefit adjustment.** (1) Subject to subsection (2), on January 1  
7 of each year, the permanent monthly benefit payable during the preceding January to each recipient who  
8 is eligible under subsection (3) must be increased by 1.5%.

9 (2) (a) If a recipient's benefit payable during the preceding January has been increased by one or  
10 more adjustments not provided for in this section and the adjustments amount to less than a 1.5%  
11 annualized increase, then the recipient's benefit must be adjusted by an amount that will provide a total  
12 annualized increase of 1.5% in the benefit paid since the preceding January.

13 (b) If a recipient's benefit payable during the preceding January has been increased by one or more  
14 adjustments not provided for in this section and the increases amount to more than a 1.5% annualized  
15 increase, then the benefit increase provided under this section must be 0%.

16 (3) Except as provided in subsection (2)(b), a benefit recipient is eligible for and must receive the  
17 minimum annual benefit adjustment provided for in this section if:

18 (a) the benefit's commencement date is at least 36 months prior to January 1 of the year in which  
19 the adjustment is to be made;

20 ~~(b) the benefit recipient is not an active member of a public retirement system covered by this~~  
21 ~~title;~~ and

22 ~~(c)~~(b) the member either:

23 (i) first became an active member on or after July 1, 1997; or

24 (ii) filed a voluntary, irrevocable election to be covered under this section. The election must be  
25 filed with the board prior to January 1, 1998, and requires an active member to pay an increased  
26 contribution rate from July 1, 1997, forward. A retired member or the member's survivor who is receiving  
27 a monthly benefit before July 1, 1997, shall also file the voluntary, irrevocable election no later than  
28 January 1, 1998, to be covered under this section.

29 (4) The board shall adopt rules to administer the provisions of this section."  
30

1           **Section 4.** Section 19-7-711, MCA, is amended to read:

2           **"19-7-711. Guaranteed annual benefit adjustment.** (1) Subject to subsection (2), on January 1  
3 of each year, the permanent monthly benefit payable during the preceding January to each recipient who  
4 is eligible under subsection (3) must be increased by 1.5%.

5           (2) (a) If a recipient's benefit payable during the preceding January has been increased by one or  
6 more adjustments not provided for in this section and the adjustments amount to less than a 1.5%  
7 annualized increase, then the recipient's benefit must be adjusted by an amount that will provide a total  
8 annualized increase of 1.5% in the benefit paid since the preceding January.

9           (b) If a recipient's benefit payable during the preceding January has been increased by one or more  
10 adjustments not provided for in this section and the increases amount to more than a 1.5% annualized  
11 increase, then the benefit increase provided under this section must be 0%.

12           (c) If a benefit recipient is a contingent annuitant receiving an optional benefit upon the death of  
13 the original payee that occurred since the preceding January, the new recipient's monthly benefit must  
14 be increased to 1.5% more than the amount that the contingent annuitant would have received had the  
15 contingent annuitant received a benefit during the preceding January.

16           (3) Except as provided in subsection (2)(b), a benefit recipient is eligible for and must receive the  
17 minimum annual benefit adjustment provided for in this section if:

18 ~~——(a) the benefit's commencement date is at least 36 months prior to January 1 of the year in which~~  
19 ~~the adjustment is to be made; and~~

20 ~~——(b) the benefit recipient is not an active member of a public retirement system covered by this~~  
21 ~~title.~~

22           (4) The board shall adopt rules to administer the provisions of this section."  
23

24           **Section 5.** Section 19-8-1105, MCA, is amended to read:

25           **"19-8-1105. Guaranteed annual benefit adjustment.** (1) Subject to subsection (2), on January 1  
26 of each year, the permanent monthly benefit payable during the preceding January to each recipient who  
27 is eligible under subsection (3) must be increased by 1.5%.

28           (2) (a) If a recipient's benefit payable during the preceding January has been increased by one or  
29 more adjustments not provided for in this section and the adjustments amount to less than a 1.5%  
30 annualized increase, then the recipient's benefit must be adjusted by an amount that will provide a total

1 annualized increase of 1.5% in the benefit paid since the preceding January.

2 (b) If a recipient's benefit payable during the preceding January has been increased by one or more  
3 adjustments not provided for in this section and the increases amount to more than a 1.5% annualized  
4 increase, then the benefit increase provided under this section must be 0%.

5 (c) If a benefit recipient is a contingent annuitant receiving an optional benefit upon the death of  
6 the original payee that occurred since the preceding January, the new recipient's monthly benefit must  
7 be increased to 1.5% more than the amount that the contingent annuitant would have received had the  
8 contingent annuitant received a benefit during the preceding January.

9 (3) Except as provided in subsection (2)(b), a benefit recipient is eligible for and must receive the  
10 minimum annual benefit adjustment provided for in this section if:

11 ~~\_\_\_\_\_ (a) the benefit's commencement date is at least 36 months prior to January 1 of the year in which  
12 the adjustment is to be made, and~~

13 ~~\_\_\_\_\_ (b) the benefit recipient is not an active member of a public retirement system covered by this  
14 title.~~

15 (4) The board shall adopt rules to administer the provisions of this section."  
16

17 **Section 6.** Section 19-9-1009, MCA, is amended to read:

18 **"19-9-1009. Guaranteed annual benefit adjustment.** (1) Subject to subsection (2), on January 1  
19 of each year, the permanent monthly benefit payable during the preceding January to each recipient who  
20 is eligible under subsection (3) must be increased by 1.5%.

21 (2) (a) If a recipient's benefit payable during the preceding January has been increased by one or  
22 more adjustments not provided for in this section and the adjustments amount to less than a 1.5%  
23 annualized increase, then the recipient's benefit must be adjusted by an amount that will provide a total  
24 annualized increase of 1.5% in the benefit paid since the preceding January.

25 (b) If a recipient's benefit payable during the preceding January has been increased by one or more  
26 adjustments not provided for in this section and the increases amount to more than a 1.5% annualized  
27 increase, then the benefit increase provided under this section must be 0%.

28 (3) Except as provided in subsection (2)(b), a benefit recipient is eligible for and must receive the  
29 minimum annual benefit adjustment provided for in this section if:

30 (a) the benefit's commencement date is at least 36 months prior to January 1 of the year in which

1 the adjustment is to be made;

2 ~~(b) the benefit recipient is not an active member of a public retirement system covered by this~~  
3 ~~title;~~ and

4 ~~(e)(b)~~ the member either:

5 (i) first became an active member on or after July 1, 1997; or

6 (ii) filed a voluntary, irrevocable election to be covered under this section. The election must be  
7 filed with the board prior to January 1, 1998, and requires an active member to pay an increased  
8 contribution rate from July 1, 1997, forward. A retired member or the member's survivor who is receiving  
9 a monthly benefit before July 1, 1997, shall also file the voluntary, irrevocable election no later than  
10 January 1, 1998, to be covered under this section.

11 (4) The board shall adopt rules to administer the provisions of this section."  
12

13 **Section 7.** Section 19-13-1010, MCA, is amended to read:

14 **"19-13-1010. Guaranteed annual benefit adjustment.** (1) Subject to subsection (2), on January  
15 1 of each year, the permanent monthly benefit payable during the preceding January to each recipient who  
16 is eligible under subsection (3) must be increased by 1.5%.

17 (2) (a) If a recipient's benefit payable during the preceding January has been increased by one or  
18 more adjustments not provided for in this section and the adjustments amount to less than a 1.5%  
19 annualized increase, then the recipient's benefit must be adjusted by an amount that will provide a total  
20 annualized increase of 1.5% in the benefit paid since the preceding January.

21 (b) If a recipient's benefit payable during the preceding January has been increased by one or more  
22 adjustments not provided for in this section and the increases amount to more than a 1.5% annualized  
23 increase, then the benefit increase provided under this section must be 0%.

24 (3) Except as provided in subsection (2)(b), a benefit recipient is eligible for and must receive the  
25 minimum annual benefit adjustment provided for in this section if:

26 (a) the benefit's commencement date is at least 36 months prior to January 1 of the year in which  
27 the adjustment is to be made;

28 ~~(b) the benefit recipient is not an active member of a public retirement system covered by this~~  
29 ~~title;~~ and

30 ~~(e)(b)~~ the member either:

1 (i) first became an active member on or after July 1, 1997; or  
2 (ii) filed a voluntary, irrevocable election to be covered under this section. The election must be  
3 filed with the board prior to January 1, 1998, and requires an active member to pay an increased  
4 contribution rate from July 1, 1997, forward. A retired member or the member's survivor who is receiving  
5 a monthly benefit before July 1, 1997, shall also file the voluntary, irrevocable election no later than  
6 January 1, 1998, to be covered under this section.

7 (4) The board shall adopt rules to administer the provisions of this section."  
8

9 NEW SECTION. **Section 8. Repealer.** Section 19-2-1101, MCA, is repealed.  
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11 NEW SECTION. **Section 9. Effective date.** [This act] is effective on passage and approval.  
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