

1 SENATE BILL NO. 284

2 INTRODUCED BY T. BECK

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE GUARANTEED ANNUAL BENEFIT
5 ADJUSTMENT IN THE PUBLIC EMPLOYEES', JUDGES', HIGHWAY PATROL OFFICERS', SHERIFFS',
6 GAME WARDENS' AND PEACE OFFICERS', MUNICIPAL POLICE OFFICERS', AND FIREFIGHTERS' UNIFIED
7 RETIREMENT SYSTEMS; PROVIDING A NEW ELECTION IN THE JUDGES', HIGHWAY PATROL OFFICERS',
8 MUNICIPAL POLICE OFFICERS', AND FIREFIGHTERS' UNIFIED RETIREMENT SYSTEMS; ELIMINATING A
9 DUPLICATE SECTION; AMENDING SECTIONS 19-3-1605, 19-5-901, 19-6-710, 19-7-711, 19-8-1105,
10 19-9-1009, 19-9-1010, AND 19-13-1010, MCA; REPEALING SECTION 19-2-1101, MCA; AND
11 PROVIDING AN 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%~~ 3%.

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%~~ 3%
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%~~ 3% 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%~~ 3% 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%~~ 3% more than the amount that the contingent annuitant would have received had
29 the 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%~~ 3%.

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%~~ 3%
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%~~ 3% 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%~~ 3% 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%~~ 3% more than the amount that the contingent annuitant would have received had
22 the 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) 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 **NEW SECTION. Section 3. Election -- guaranteed annual benefit adjustment.** (1) Subject to
6 subsection (2), on January 1 of each year, the permanent monthly benefit payable during the preceding
7 January to each recipient who is eligible under subsection (3) must be increased by 3%.

8 (2) (a) If a recipient's benefit payable during the preceding January has been increased by one or
9 more adjustments not provided for in this section and the adjustments amount to less than a 3%
10 annualized increase, then the recipient's benefit must be adjusted by an amount that will provide a total
11 annualized increase of 3% in the benefit paid since the preceding January.

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

15 (3) A benefit recipient is eligible for and must receive the minimum annual benefit adjustment
16 provided for in this section if:

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

19 (b) the member either:

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

21 (ii) filed a voluntary, irrevocable election to be covered under this section. The election:

22 (A) must be filed with the board prior to December 1, 2001; and

23 (B) requires an active member to pay an increased or revised contribution rate from January 1,
24 2002, forward.

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

26 (5) The decision of a member who elected to participate under 19-5-901 remains valid. The
27 decision of a member who elected not to participate under 19-5-901 may be reversed under this section.

28

29 **Section 4.** Section 19-6-710, MCA, is amended to read:

30 **"19-6-710. Guaranteed annual benefit adjustment.** (1) Subject to subsection (2), on January 1

1 of each year, the permanent monthly benefit payable during the preceding January to each recipient who
 2 is eligible under subsection (3) must be increased by ~~1.5%~~ 3%.

3 (2) (a) If a recipient's benefit payable during the preceding January has been increased by one or
 4 more adjustments not provided for in this section and the adjustments amount to less than a ~~1.5%~~ 3%
 5 annualized increase, then the recipient's benefit must be adjusted by an amount that will provide a total
 6 annualized increase of ~~1.5%~~ 3% in the benefit paid since the preceding January.

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

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

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

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

16 (c) the member either:

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

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

23 (4) The board shall adopt rules to administer the provisions of this section."
 24

25 NEW SECTION. **Section 5. Election -- guaranteed annual benefit adjustment.** (1) Subject to
 26 subsection (2), on January 1 of each year, the permanent monthly benefit payable during the preceding
 27 January to each recipient who is eligible under subsection (3) must be increased by 3%.

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 3%
 30 annualized increase, then the recipient's benefit must be adjusted by an amount that will provide a total

1 annualized increase of 3% 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 3% annualized
4 increase, then the benefit increase provided under this section must be 0%.

5 (3) A benefit recipient is eligible for and must receive the minimum annual benefit adjustment
6 provided for in this section if:

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

9 (b) the member either:

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

11 (ii) filed a voluntary, irrevocable election to be covered under this section. The election:

12 (A) must be filed with the board prior to December 1, 2001; and

13 (B) requires an active member to pay an increased or revised contribution rate from January 1,
14 2002, forward.

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

16 (5) The decision of a member who elected to participate under 19-6-710 remains valid. The
17 decision of a member who elected not to participate under 19-6-710 may be reversed under this section.

18

19 **Section 6.** Section 19-7-711, MCA, is amended to read:

20 **"19-7-711. Guaranteed annual benefit adjustment.** (1) Subject to subsection (2), on January 1
21 of each year, the permanent monthly benefit payable during the preceding January to each recipient who
22 is eligible under subsection (3) must be increased by ~~1.5%~~ 3%.

23 (2) (a) If a recipient's benefit payable during the preceding January has been increased by one or
24 more adjustments not provided for in this section and the adjustments amount to less than a ~~1.5%~~ 3%
25 annualized increase, then the recipient's benefit must be adjusted by an amount that will provide a total
26 annualized increase of ~~1.5%~~ 3% in the benefit paid since the preceding January.

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

30 (c) If a benefit recipient is a contingent annuitant receiving an optional benefit upon the death of

1 the original payee that occurred since the preceding January, the new recipient's monthly benefit must
2 be increased to ~~1.5%~~ 3% more than the amount that the contingent annuitant would have received had
3 the contingent annuitant received a benefit during the preceding January.

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

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

8 (b) the benefit recipient is not an active member of a public retirement system covered by this
9 title.

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

12 **Section 7.** Section 19-8-1105, MCA, is amended to read:

13 **"19-8-1105. Guaranteed annual benefit adjustment.** (1) Subject to subsection (2), on January 1
14 of each year, the permanent monthly benefit payable during the preceding January to each recipient who
15 is eligible under subsection (3) must be increased by ~~1.5%~~ 3%.

16 (2) (a) If a recipient's benefit payable during the preceding January has been increased by one or
17 more adjustments not provided for in this section and the adjustments amount to less than a ~~1.5%~~ 3%
18 annualized increase, then the recipient's benefit must be adjusted by an amount that will provide a total
19 annualized increase of ~~1.5%~~ 3% in the benefit paid since the preceding January.

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

23 (c) If a benefit recipient is a contingent annuitant receiving an optional benefit upon the death of
24 the original payee that occurred since the preceding January, the new recipient's monthly benefit must
25 be increased to ~~1.5%~~ 3% more than the amount that the contingent annuitant would have received had
26 the contingent annuitant received a benefit during the preceding January.

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

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

1 (b) the benefit recipient is not an active member of a public retirement system covered by this
2 title.

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

5 **Section 8.** Section 19-9-1009, MCA, is amended to read:

6 **"19-9-1009. 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%~~ 3%.

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%~~ 3%
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%~~ 3% 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%~~ 3% 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) 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 9.** Section 19-9-1010, MCA, is amended to read:

2 **"19-9-1010. Election -- guaranteed annual benefit adjustment.** (1) Subject to subsection (2), on
3 January 1 of each year, the permanent monthly benefit payable during the preceding January to each
4 recipient who is eligible under subsection (3) must be increased by ~~1.5%~~ 3%.

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%~~ 3%
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%~~ 3% 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%~~ 3% annualized
11 increase, then the benefit increase provided under this section must be 0%.

12 (3) A benefit recipient is eligible for and must receive the minimum annual benefit adjustment
13 provided for in this section if:

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

16 (b) the member either:

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

18 (ii) filed a voluntary, irrevocable election to be covered under this section. The election:

19 (A) must be filed with the board prior to December 1, 1999; and

20 (B) requires an active member to pay an increased or revised contribution rate from January 1,
21 2000, forward.

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

23 (5) The decision of a member who elected to participate under 19-9-1009 remains valid. The
24 decision of a member who elected not to participate under 19-9-1009 may be reversed under this
25 section."

26

27 NEW SECTION. **Section 10. Election -- guaranteed annual benefit adjustment.** (1) Subject to
28 subsection (2), on January 1 of each year, the permanent monthly benefit payable during the preceding
29 January to each recipient who is eligible under subsection (3) must be increased by 3%.

30 (2) (a) If a recipient's benefit payable during the preceding January has been increased by one or

1 more adjustments not provided for in this section and the adjustments amount to less than a 3%
 2 annualized increase, then the recipient's benefit must be adjusted by an amount that will provide a total
 3 annualized increase of 3% in the benefit paid since the preceding January.

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

7 (3) A benefit recipient is eligible for and must receive the minimum annual benefit adjustment
 8 provided for in this section if:

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

11 (b) the member either:

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

13 (ii) filed a voluntary, irrevocable election to be covered under this section. The election:

14 (A) must be filed with the board prior to December 1, 2001; and

15 (B) requires an active member to pay an increased or revised contribution rate from January 1,
 16 2002, forward.

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

18 (5) The decision of a member who elected to participate under 19-9-1009 or 19-9-1010 remains
 19 valid. The decision of a member who elected not to participate under 19-9-1009 and 19-9-1010 may be
 20 reversed under this section.

21

22 **Section 11.** Section 19-13-1010, MCA, is amended to read:

23 **"19-13-1010. Guaranteed annual benefit adjustment.** (1) Subject to subsection (2), on January
 24 1 of each year, the permanent monthly benefit payable during the preceding January to each recipient who
 25 is eligible under subsection (3) must be increased by ~~4.5%~~ 3%.

26 (2) (a) If a recipient's benefit payable during the preceding January has been increased by one or
 27 more adjustments not provided for in this section and the adjustments amount to less than a ~~4.5%~~ 3%
 28 annualized increase, then the recipient's benefit must be adjusted by an amount that will provide a total
 29 annualized increase of ~~4.5%~~ 3% in the benefit paid since the preceding January.

30 (b) If a recipient's benefit payable during the preceding January has been increased by one or more

1 adjustments not provided for in this section and the increases amount to more than a ~~1.5%~~ 3% annualized
 2 increase, then the benefit increase provided under this section must be 0%.

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

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

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

9 (c) the member either:

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

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

16 (4) The board shall adopt rules to administer the provisions of this section."
 17

18 NEW SECTION. **Section 12. Election -- guaranteed annual benefit adjustment.** (1) Subject to
 19 subsection (2), on January 1 of each year, the permanent monthly benefit payable during the preceding
 20 January to each recipient who is eligible under subsection (3) must be increased by 3%.

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 3%
 23 annualized increase, then the recipient's benefit must be adjusted by an amount that will provide a total
 24 annualized increase of 3% 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 3% annualized
 27 increase, then the benefit increase provided under this section must be 0%.

28 (3) A benefit recipient is eligible for and must receive the minimum annual benefit adjustment
 29 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; and

2 (b) the member either:

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

4 (ii) filed a voluntary, irrevocable election to be covered under this section. The election:

5 (A) must be filed with the board prior to December 1, 2001; and

6 (B) requires an active member to pay an increased or revised contribution rate from January 1,
7 2002, forward.

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

9 (5) The decision of a member who elected to participate under 19-13-1010 remains valid. The
10 decision of a member who elected not to participate under 19-13-1010 may be reversed under this
11 section.

12

13 NEW SECTION. **Section 13. Repealer.** Section 19-2-1101, MCA, is repealed.

14

15 NEW SECTION. **Section 14. Codification instruction.** (1) [Section 3] is intended to be codified
16 as an integral part of Title 19, chapter 5, part 9, and the provisions of Title 19, chapter 5, part 9, apply
17 to [section 3].

18 (2) [Section 5] is intended to be codified as an integral part of Title 19, chapter 6, part 7, and the
19 provisions of Title 19, chapter 6, part 7, apply to [section 5].

20 (3) [Section 10] is intended to be codified as an integral part of Title 19, chapter 9, part 10, and
21 the provisions of Title 19, chapter 9, part 10, apply to [section 10].

22 (4) [Section 12] is intended to be codified as an integral part of Title 19, chapter 13, part 10, and
23 the provisions of Title 19, chapter 13, part 10, apply to [section 12].

24

25 NEW SECTION. **Section 15. Effective date.** [This act] is effective July 1, 2001.

26

- END -