

SENATE BILL NO. 239

INTRODUCED BY MANGAN

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A CONTINUATION OF EMPLOYER OR RETIREE CONTRIBUTIONS TO THE STATE GROUP HEALTH INSURANCE PLAN AS A RETIREMENT INCENTIVE FOR STATE EMPLOYEES; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. Section 1. Retirement incentive -- continuation of health insurance. A UPON TERMINATION OF EMPLOYMENT BETWEEN JULY 1, 2003, AND OCTOBER 1, 2003, A state AGENCY employee who is eligible for normal retirement, ~~terminates employment~~ BY HAVING REACHED NORMAL RETIREMENT AGE, AS DEFINED IN ~~19-2-303~~ TITLE 19 FOR THE RETIREMENT SYSTEM IN WHICH THE EMPLOYEE IS A MEMBER, and WHO is eligible, pursuant to 2-18-704, to remain on the state EMPLOYER'S group health insurance plan OR A STATE EMPLOYEE WHOSE TERMINATION OF EMPLOYMENT WITHIN THE TIME PERIOD SPECIFIED WAS BECAUSE OF IN THIS SECTION RESULTS IN A DISABILITY RETIREMENT is entitled to a continuation of the employer contributions under 2-18-703 OR PAYMENT OF THE RETIREE-ONLY PREMIUM, WHICHEVER IS LESS, for a time period equal to 1 year for every 5 FULL years of the employee's STATE OF MONTANA public service, IRRESPECTIVE OF ANY BREAK IN SERVICE OR UNTIL THE EMPLOYEE IS ELIGIBLE FOR MEDICARE UNDER THE FEDERAL HEALTH INSURANCE FOR THE AGED ACT, 42 U.S.C. 1395, ET SEQ., OR MEETS OTHER PROVISIONS OF 2-18-704 (1)(A).

NEW SECTION. SECTION 2. LEGISLATIVE INTENT. THE LEGISLATURE INTENDS THAT THE RETIREMENT INCENTIVE PROVIDED UNDER [SECTION 1] BE OFFSET BY VACANCY SAVINGS WITHIN EACH AGENCY OF STATE GOVERNMENT, AS DEFINED IN 2-18-101, AND THE MONTANA UNIVERSITY SYSTEM, AND THAT A POSITION THAT BECOMES VACANT UNDER THE RETIREMENT INCENTIVE MUST BE FILLED AT THE ENTRY-LEVEL SALARY FOR THAT POSITION, PURSUANT TO 2-18-303(1)(B), UNLESS THE POSITION IS FILLED BY A PERSON WHO TRANSFERS Laterally AT THE SAME GRADE AND LONGEVITY LEVEL.

NEW SECTION. SECTION 3. CONTINGENT VOIDNESS -- COORDINATION INSTRUCTION. (1) IF [THIS ACT] AND HOUSE BILL No. 2 ARE BOTH PASSED AND APPROVED AND IF THE APPROPRIATIONS CONTAINED IN HOUSE BILL No. 2 ARE

1 NOT ACCOMPANIED BY A NARRATIVE STATING THAT APPROPRIATED AMOUNTS FOR PERSONAL SERVICES REFLECT
2 REDUCTIONS TOTALING AT LEAST THE COST OF THE INCENTIVE PROJECTED FOR [THIS ACT], THEN [THIS ACT] IS VOID.

3 (2) IF HOUSE BILL NO. 360 AND [THIS ACT] ARE BOTH PASSED AND APPROVED, THEN ~~[THIS ACT] IS VOID.~~

4 [SECTION 1 OF THIS ACT] MUST READ AS FOLLOWS:

5 "NEW SECTION. Section 1. Retirement incentive -- continuation of health insurance. Upon
6 termination of employment between July 1, 2003, and October 1, 2003, a university system employee who is
7 eligible for normal retirement by having reached normal retirement age, as defined under the retirement system
8 in which the employee is a member, and who is eligible, pursuant to 2-18-704, to remain on the employer's group
9 health insurance plan or a university system employee whose termination of employment within the time period
10 specified in this section results in a disability retirement is entitled to a continuation of the employer contributions
11 under 2-18-703 or payment of the retiree-only premium, whichever is less, for a time period equal to 1 year for
12 every 5 full years of the employee's state of Montana public service, irrespective of any break in service."
13

14 NEW SECTION. Section 4. Codification instruction. [Section 1] is intended to be codified as an
15 integral part of Title 2, chapter 18, part 8, and the provisions of Title 2, chapter 18, part 8, apply to [section 1].
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17 NEW SECTION. Section 5. Effective date. [This act] is effective ~~on passage and approval~~ JULY 1,
18 2003.

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