

HOUSE BILL NO. 662
INTRODUCED BY D. BROWN

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A ONE-TIME PERMANENT MINIMUM BENEFIT ALLOWANCE FOR MEMBERS OF THE TEACHERS' RETIREMENT SYSTEM WHO RETIRED WITH LESS THAN 25 YEARS OF SERVICE; INCREASING EMPLOYER CONTRIBUTIONS; AMENDING SECTION 19-20-605, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Minimum monthly benefit allowance -- less than 25 years' service. (1)

A retired member of the retirement system who retired with less than 25 years of creditable service and who on July 1, 2003, is receiving a service or disability retirement allowance that is less than \$600 is eligible to receive a minimum monthly benefit allowance of \$24 a month multiplied by the member's total years of creditable service at the time of retirement.

(2) A beneficiary or beneficiaries of a deceased retired member who retired with less than 25 years of creditable service who on July 1, 2003, are receiving an optional service, disability, or survivorship allowance that when added together is less than \$600 are eligible to receive a proportional share of a minimum monthly benefit allowance of \$24 a month multiplied by years of creditable service.

(3) If on July 1, 2003, multiple beneficiaries are receiving benefits under a retired member's account, the minimum monthly benefit must be divided in the same proportion as was the initial service, disability, or survivorship allowance.

Section 2. Section 19-20-605, MCA, is amended to read:

"19-20-605. Pension accumulation fund -- employer's contribution. The pension accumulation fund is the fund in which the reserves for payment of retirement allowances and benefits must be accumulated and from which retirement allowances and benefits must be paid to retirees or their beneficiaries. Contributions to and payments from the pension accumulation fund must be made as follows:

(1) Each employer shall pay into the pension accumulation fund an amount equal to ~~7.47%~~ 7.62% of the earned compensation of each member employed during the whole or part of the preceding payroll period.

(2) If the employer is a district or community college district, the trustees shall budget and pay for the

employer's contribution under the provisions of 20-9-501.

(3) If the employer is the superintendent of public instruction, a public institution of the state of Montana, a unit of the Montana university system, or the Montana state school for the deaf and blind, the legislature shall appropriate to the employer an adequate amount to allow the payment of the employer's contribution.

(4) If the employer is a county, the county commissioners shall budget and pay for the employer's contribution in the manner provided by law for the adoption of a county budget and for payments under the budget.

(5) All interest and other earnings realized on the money of the retirement system must be credited to the pension accumulation fund, and the amount required to allow regular interest on the annuity savings fund must be transferred to that fund from the pension accumulation fund.

(6) The retirement board may transfer from the pension accumulation fund to the expense fund an amount necessary to cover expenses of administration."

NEW SECTION. **Section 3. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 19, chapter 20, part 7, and the provisions of Title 19, chapter 20, part 7, apply to [section 1].

NEW SECTION. **Section 4. Effective date.** [This act] is effective July 1, 2003.

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