

HOUSE BILL NO. 544
INTRODUCED BY A. OLSON

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING RETIRED MEMBERS OF STATE-ADMINISTERED RETIREMENT SYSTEMS TO HAVE DUES PAYABLE TO CERTAIN ORGANIZATIONS WITHHELD FROM RETIREMENT BENEFITS AND PAID DIRECTLY TO THE ORGANIZATION; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND APPLICABILITY DATES."

WHEREAS, after retiring, many members of retirement systems administered by the Public Employees' Retirement Board want to continue as dues-paying members of certain organizations through which the members can retain and enhance the ability to improve the quality of their retirement; and

WHEREAS, many retired members of retirement systems administered by the Montana Public Employees' Retirement Administration (MPERA) want the option of having the MPERA automatically withhold dues payable to organizations of which they are members and automatically transfer the withheld dues to the organizations; and

WHEREAS, the stated mission of the MPERA is to efficiently provide quality benefits, education, and service to help MPERA plan members and beneficiaries achieve a quality retirement.

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

NEW SECTION. Section 1. Organization dues -- optional withholding -- payment -- rules. (1) Subject to subsection (2), a retired member who is a member of a qualified organization may elect annually to have the board withhold dues payable to the qualified organization and transfer the withheld dues directly to the qualified organization on behalf of the retired member.

(2) (a) Except as provided in subsection (2)(b), the annual election allowed under subsection (1):

(i) must allow the retired member to increase or decrease the amount of dues to be withheld and transferred;

(ii) may be made by a retired member only once each calendar year or fiscal year pursuant to rules adopted by the board.

(b) A retired member may direct the board to cease withholding dues at any time. However, once the board has ceased to withhold dues for the retired member, the retired member may not have the board withhold

and transfer dues for the remainder of the calendar year or fiscal year, as applicable. The retired member may have the board withhold and transfer dues at any subsequent annual election for withholding and transferring dues.

(3) For the purposes of this section, "qualified organization" means a legal entity:

(a) that is formed, in part, for the benefit of the organization's members who are required or eligible to participate in a single retirement system administered by the board; and

(b) whose active, inactive, and retired members participating in the single retirement system comprise at least 50% of the active, inactive, and retired membership of the retirement system.

(4) The board may adopt rules to implement the provisions of this section.

NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 19, chapter 2, part 9, and the provisions of Title 19, chapter 2, part 9, apply to [section 1].

NEW SECTION. Section 3. Effective date -- applicability. (1) [This act] is effective on passage and approval.

(2) [Section 1(1) through (3)] apply July 1, 2007.

(3) [Section 1(4)], [section 2], and this section apply on passage and approval.

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