

HOUSE BILL NO. 765
INTRODUCED BY A. OLSON

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN ELECTION FOR CERTAIN LEGISLATORS REGARDING CONTINUING PARTICIPATION IN A PUBLIC RETIREMENT SYSTEM; AMENDING SECTION 5-2-304, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. Section 1. Extended election -- participation in public retirement systems. (1)(a) A legislator who elected prior to [the effective date of this act] to continue participation in a public retirement system under 5-2-304 is eligible to revoke the election by notifying the board that the legislator is revoking the legislator's previous election under 5-2-304. The notification must:

- (i) be made in writing;
- (ii) contain the legislator's full name, address, and social security number;
- (iii) be signed by the legislator;
- (iv) be notarized; and
- (v) be submitted to the board prior to July 1, 2007.

(b) Upon receipt of written notification submitted by a legislator pursuant to subsection (1)(a), the board shall:

- (i) immediately terminate the legislator's continuing membership previously elected pursuant to 5-2-304;
- (ii) confirm to the legislator that the board received the written revocation; and
- (iii) provide the legislator with information about the effects of the revocation, including options the legislator may have regarding the commencement of retirement benefits.

(c) An election made under this section is an irrevocable election.

(2) A legislator who revokes the legislator's previous election pursuant to subsection (1) must be credited with service credit for the time earned while continuing membership in a public retirement system under the legislator's original election.

(3) A legislator's election to continue participating in a public retirement system under 5-2-304 remains valid unless the legislator revokes the original election as provided in subsection (1).

(4) The decision of a member who elected not to participate under 5-2-304 may not be revoked under

this section.

(5) The board may adopt rules to implement this section. However, the board shall accept as valid a written revocation submitted pursuant to subsection (1).

Section 2. Section 5-2-304, MCA, is amended to read:

"5-2-304. Continued participation in public retirement systems. (1) The purpose of this section is to provide a means whereby persons serving in the Montana legislature may continue their participation in public retirement systems governed by state law. This section is not intended to provide duplicate credit for the same service in two retirement systems supported wholly or in part by public funds. This section does not affect contribution rates or benefit payments specifically provided for in the laws governing the operation of individual retirement systems.

(2) A person who is engaged in official duties as a member of the Montana legislature and who is a member of a public retirement system governed by state law may, but is not required to, continue the person's participation in that public retirement system while engaged in official duties as a legislator. To continue participation in the public retirement system, a legislator shall, within 180 days of taking office and in a manner prescribed by the appropriate board, file ~~an irrevocable~~ written election with the teachers' retirement board or the public employees' retirement board. The written election is irrevocable except as provided in [section 1].

(3) A legislator who elects to continue participation as provided in subsection (2) shall continue the payments into the fund of the retirement system at the rate currently in effect in the system based on the legislator's monthly salary as a member of that system.

(4) The state contribution must be made by legislative appropriation. It must equal the appropriate employer contribution at the rate currently in effect in the system."

NEW SECTION. **Section 3. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 5, chapter 2, part 3, and the provisions of Title 5, chapter 2, part 3, apply to [section 1].

NEW SECTION. **Section 4. Effective date.** [This act] is effective on passage and approval.

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