

HOUSE BILL NO. 814  
INTRODUCED BY R. HAMILTON

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A ONE-TIME PERMANENT AD HOC PURCHASING POWER BENEFIT ADJUSTMENT TO CERTAIN RETIRED MEMBERS OF THE MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM; INCREASING THE GUARANTEED ANNUAL BENEFIT ADJUSTMENT FOR WHICH CERTAIN MEMBERS OF THE MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM ARE ELIGIBLE; PROVIDING AN APPROPRIATION; AMENDING SECTIONS 19-9-1009, 19-9-1010, AND 19-9-1013, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

**NEW SECTION. Section 1. One-time permanent ad hoc purchasing power adjustment.** Beginning with the first benefit payment after [the effective date of this act], the board shall provide a one-time permanent ad hoc purchasing power benefit increase of \$500 a month to each member who retired on or before January 1, 1991, and to the beneficiaries of a member who retired before January 1, 1991, if the member is or the member's beneficiaries are receiving a monthly retirement benefit on [the effective date of this act]. The board may not make a benefit payment retroactively as a result of the ad hoc benefit increase provided for in this section for benefits paid prior to [the effective date of this act].

**Section 2.** Section 19-9-1009, MCA, is amended to read:

**"19-9-1009. Guaranteed annual benefit adjustment.** (1) Subject to subsection (2), on January 1 of each year, the permanent monthly benefit payable during the preceding January to each recipient who is eligible under subsection (3) must be increased by ~~3%~~ 5%.

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

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

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

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

(b) the member either:

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

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

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

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

**"19-9-1010. Original election -- guaranteed annual benefit adjustment.** (1) Subject to subsection (2), on January 1 of each year, the permanent monthly benefit payable during the preceding January to each recipient who is eligible under subsection (3) must be increased by ~~3%~~ 5%.

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

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

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

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

(b) the member either:

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

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

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

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

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

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

**Section 4.** Section 19-9-1013, MCA, is amended to read:

**"19-9-1013. Extended election -- guaranteed annual benefit adjustment.** (1) Subject to subsection (2), on January 1 of each year, the permanent monthly benefit payable during the preceding January to each recipient who is eligible under subsection (3) must be increased by ~~3%~~ 5%.

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

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

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

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

(b) the member either:

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

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

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

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

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

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

this section."

NEW SECTION. **Section 5. Appropriation.** There is appropriated for the 2009 biennium \$1 million from the general fund to the Montana public employees' retirement board for deposit into the municipal police officers' retirement system to pay for the increase in benefits provided for in [sections 1 and 2].

NEW SECTION. **Section 6. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 19, chapter 9, part 10, and the provisions of Title 19, chapter 9, part 10, apply to [section 1].

NEW SECTION. **Section 7. Effective date.** [This act] is effective on passage and approval.

- END -