

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 400

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

RELATING TO THE PUBLIC EMPLOYEE RETIREMENT SYSTEM; AMENDING SECTION 59-1346, IDAHO CODE, TO REVISE A PROVISION REGARDING AN INITIAL RETIREMENT ALLOWANCE, TO PROVIDE FOR HOW A CERTAIN EARLY RETIREMENT BENEFIT IS DETERMINED, TO PROVIDE FOR HOW A CERTAIN ACCRUED RETIREMENT ALLOWANCE IS DETERMINED AND TO MAKE TECHNICAL CORRECTIONS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 59-1346, Idaho Code, be, and the same is hereby amended to read as follows:

59-1346. COMPUTATION OF EARLY RETIREMENT ALLOWANCES. (1) The annual amount of initial early retirement allowance of a member shall be a percentage of the member's accrued retirement allowance. Such percentage shall be one hundred percent (100%) if the sum of the number of years and months of credited service and the age in years and months is equal to or greater than the sum indicated below. Otherwise, such percentage shall be one hundred percent (100%) reduced by one-fourth of one percent (.25%) for each month up to sixty (60) months that the member's retirement precedes the date the member would be eligible to receive full accrued benefit without additional credited service, and further reduced by two-thirds of one percent (.6667%) for each additional month. Effective October 1, 1992, the further reduction for each additional month shall equal six thousand and forty-two ten-thousandths of one percent (.6042%) of the member's average monthly salary; effective October 1, 1993, the further reduction for each additional month shall equal five thousand four hundred and seventeen ten-thousandths of one percent (.5417%) of the member's average monthly salary; and effective October 1, 1994, the further reduction for each additional month shall equal four thousand seven hundred and ninety-two ten-thousandths of one percent (.4792%) of the member's average monthly salary. Entitlement to an annual amount of accrued retirement allowance shall not vest until the effective date of that annual amount of accrued retirement allowance. The retirement benefits shall be calculated on the amounts, terms and conditions in effect at the date of the final contribution by the member.

If a member's service retirement ratio as defined by section 59-1341, Idaho Code, is:	Then the sum of the member's credited service and age must be equal to or greater than:
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0.000 to 0.050	90
0.051 to 0.150	89
0.151 to 0.250	88
0.251 to 0.350	87

1	If a member's service retirement	Then the sum of the member's credited
2	ratio as defined by section 59-1341,	service and age must be equal to
3	Idaho Code, is:	or greater than:
4	0.351 to 0.450	86
5	0.451 to 0.550	85
6	0.551 to 0.650	84
7	0.651 to 0.750	83
8	0.751 to 0.850	82
9	0.851 to 0.950	81
10	0.951 to 1.000	80

11 (2) If the majority of a member's credited service is as an elected
12 official or as an appointed official, except as a member of the Idaho leg-
13 islature, and that official was normally in the administrative offices of
14 the employer less than twenty (20) hours per week during the term of office,
15 or was normally not required to be present at any particular ~~work station~~
16 workstation for the employer twenty (20) hours per week or more during the
17 term of office, that member's accrued retirement allowance shall be the sum
18 of:

19 (a) That amount computed from an average monthly salary for salary re-
20 ceived only for those months of service as an elected or as an appointed
21 official that are in excess of the months of other credited service
22 without consideration of any other credited service; and

23 (b) That accrued retirement allowance that is computed from an av-
24 erage monthly salary for salary received during the member's total
25 months of credited service excluding those excess months referenced in
26 subsection (2) paragraph (a) of this section subsection.

27 The initial ~~service~~ retirement allowance of members of the Idaho legislature
28 will be computed under the provisions of this section, on the basis of their
29 total months of credited service.

30 (3) In no case will a member's initial early retirement benefit be equal
31 to more than the member's accrued benefit as of May 1, 1990, or one hundred
32 percent (100%) of the member's average compensation for the three (3) con-
33 secutive years of employment that produce the greatest aggregate compensa-
34 tion, whichever is greater. If the benefit is calculated to exceed one hun-
35 dred percent (100%) of the member's average compensation, the member shall
36 be eligible for and may choose either:

37 (a) An annual early retirement allowance equal to the member's average
38 annual compensation for the three (3) consecutive years of employment
39 that produced the greatest aggregate compensation; or

40 (b) A separation benefit.

41 (4) A member's accrued retirement allowance, as otherwise provided in
42 subsections (1) and (2) of this section, shall not be less than the minimum
43 accrued retirement allowance provided in this subsection. The determina-
44 tion of the initial early retirement allowance provided in subsections (1)
45 and (2) of this section and the application of the provisions in subsection
46 (3) of this section will be made after the determination of the minimum ac-
47 crued retirement allowance provided in this subsection.

1 (a) The provisions of this subsection shall apply to members who have
2 at least two (2) separate periods of employment covered under this chap-
3 ter where each separate period of employment would otherwise be eligi-
4 ble for a separation benefit described in section 59-1359, Idaho Code.
5 For purposes of this subsection, if a separation of employment occurs
6 that does not exceed sixty (60) consecutive calendar months, then the
7 member's period of employment shall be considered a continuous period
8 of employment. For purposes of this subsection, the date of last con-
9 tribution is the date of final contribution for each period of employ-
10 ment.

11 (b) For each separate period of employment considered under this sub-
12 section, the member must not have received a separation benefit for that
13 period or, if he has received such a separation benefit under section
14 59-1359, Idaho Code, he must have completed reinstatement of all pre-
15 vious credited service associated with all separation benefits for all
16 periods of employment as permitted under section 59-1360, Idaho Code.

17 (c) The minimum accrued retirement allowance shall be equal to the
18 largest accrued retirement allowance calculated at each date of last
19 contribution based upon the benefit and eligibility provisions in ef-
20 fect as of the date of the last contribution made during such separate
21 period of employment. For purposes of determining the accrued retire-
22 ment allowance for each date of last contribution:

23 (i) The member must have at least sixty (60) months of credited
24 service at the date of last contribution;

25 (ii) The member's months of credited service and average monthly
26 salary are determined based solely on all periods of employment up
27 to that date of last contribution, ignoring later periods of em-
28 ployment; and

29 (iii) The accrued retirement allowance computed for each pe-
30 riod is multiplied by the bridging factor as provided in section
31 59-1355(3), Idaho Code, between the date of the last contribution
32 made during the separate period of employment and the date of the
33 member's final contribution made during the last period of employ-
34 ment prior to retirement.