

MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 2269

H. P. 1791

House of Representatives, January 2, 1974

Referred to Committee on Veterans and Retirement. Sent up for concurrence and ordered printed.

E. LOUISE LINCOLN, Clerk

Presented by Mrs. Najarian of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FOUR

AN ACT Relating to Retirement Benefits for Members of Fire Departments
under State Retirement Law.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., T. 5, § 1124, sub-§ 2, ¶ C, amended. Paragraph C of subsection 2 of section 1124 of Title 5 of the Revised Statutes is amended to read as follows:

C. The accumulated contributions of the member which will be paid to the estate of the member; or

Sec. 2. R. S., T. 5, § 1124, sub-§ 2, ¶ D, additional. Subsection 2 of section 1124 of Title 5 of the Revised Statutes is amended by adding a new paragraph D to read as follows:

D. Should the deceased member be a member of the fire department then such amounts as may be due under an election of option 5 of section 1126.

Sec. 3. R. S., T. 5, § 1126, repealed and replaced. Section 1126 of Title 5 of the Revised Statutes is repealed and the following enacted in place thereof:

§ 1126. Payment of retirement allowances

1. Procedure for selection of options pursuant to alternative retirement allowance benefits. All retirement allowances shall be payable for life in equal monthly installments including any fraction of a month up to the date of death. Upon attainment of eligibility for retirement the member may at any time within 30 days from the date he elects to make his benefits effective, if the written application is in the possession of the board of trustees on or

before said effective date, or, at any time within 30 days of the actual receipt by the board of trustees of the written request for benefits, change his selection of option to retirement allowance, from retirement allowance to an option or from one of the options to another. After 30 days have expired from the applicable effective date, or after the first payment has been made, whichever is earlier, there may be no change in the selection.

Option 1. A reduced retirement allowance payable during his life, with the provision that at his death the excess, if any, of his accumulated contributions at the time of his retirement over the portion of the total retirement allowance payments, actually made to him during his lifetime, which is the actuarial equivalent of such accumulated contributions, shall be paid in a lump sum to such person, if any, as he has nominated by written designation duly acknowledged and filed with the board of trustees, otherwise to his estate. No contributions deducted from the compensation of a teacher prior to July 1, 1947 or required of a teacher for service credit prior thereto shall be included in such accumulated contributions; or

Option 2. A reduced retirement allowance payable during his life, with the provision that it shall continue after his death for the life of the beneficiary nominated by him by written designation duly acknowledged and filed with the board of trustees at the time of retirement should such beneficiary survive him; or

Option 3. A reduced retirement allowance payable during his life, with the provision that it shall continue after his death at $\frac{1}{2}$ of the rate paid to him and be paid for the life of the beneficiary nominated by him by written designation duly acknowledged and filed with the board of trustees at the time of retirement should such beneficiary survive him; or

Option 4. A reduced retirement allowance payable during his life with some other benefit payable after his death, provided the total value of the allowance during his life and of the succeeding benefit shall be computed to be of equivalent actuarial value to the allowance which he would receive without optional modifications, and provided the benefit shall be approved by the board of trustees.

2. Additional option made available for selection by firemen. Upon the attainment of eligibility for retirement, any member of the Retirement System who is a member of the fire department shall have the right to select the following option rather than the options as enumerated in subsection 1, by following the same procedure for the selection of options as delineated in subsection 1.

Option 5. A full retirement allowance payable during the member's life, with the provision that it shall continue in full after his death for the life of his spouse, should such spouse survive him.

3. Change of selection of retirement benefits. All former members who were firemen and who are presently receiving benefits pursuant to section 1121 or option benefits selected pursuant to subsection 1 shall be entitled, if written application is in possession of the board of trustees within 30 days

from the effective date of this enactment, to change his selection from retirement allowance to option 5 or from one of the options to option 5. After 30 days have expired from the applicable effective date there may be no change in the selection.

STATEMENT OF FACT

This bill revises the Maine State Retirement System by permitting eligible members who are members of the fire department and members who were members of the fire department and who are presently in retirement to select pension benefits which will grant to the individual member a full pension during his life and for the life of his spouse if she should survive him.