

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
108TH LEGISLATURE
FIRST REGULAR SESSION

(Filing No. H-309)

COMMITTEE AMENDMENT "A" to H.P. 505, L.D. 624, Bill, "AN ACT Concerning State Retirement Benefits for Police Officers and Fire Fighters."

Amend the Bill by striking out everything after the before the emergency clause and enacting clause and/inserting in its place the following:

'Sec. 1. 5 MRSA §1092, sub-§3, 1st sentence, as last
amended by PL 1975, c. 622, §22, is further amended to read:
Any participating local district, by filing with the board of trustees a duly certified copy of its action, may provide a retirement benefit for policemen, fire fighters, sheriffs and full-time deputy sheriffs or any other participating local district employees, in lieu of the retirement benefits otherwise provided in this chapter for these employees, of $\frac{1}{2}$ salary average-final-compensation, after having completed 20 to 25 years of service which benefit shall be based on the annual rate of salary being paid such individuals at point of retirement or the gross amount, not including any premium or overtime pay, earned in the immediately preceding 12 months, whichever is greater.

Sec. 2. PL 1975, c. 622, §66, 2nd _____, paragraph as amended by PL 1975, c. 742, §4, is further amended to read:

Sections ~~22, 51, 52 and 53~~, 51 shall apply to all retirement allowances that are first payable on or after July 1, 1977; except that any part of a retirement allowance based on creditable service and earnable compensation paid prior to July 1, 1977 that would be higher if determined, on a pro rata basis, under the provisions of chapter 101 in effect immediately prior to July 1, 1977, shall be so determined; except that as much of section 22, as applies to policemen and firefighters, and sections 52 and 53 shall apply only to retirement allowances that are payable to persons who become members of the Retirement System on or after January 1, 1976, and shall not apply to retirement allowances for policemen and firefighters who are members of the Retirement System on or before December 31, 1975, which members shall receive retirement allowances based upon the provisions of chapter 101 in effect immediately prior to July 1, 1977, except that such members shall receive an additional 2% of the member's average final compensation for each year of membership service not included in determining eligibility for retirement under this paragraph.

Sec. 3. PL 1975, c. 622, §66, 4th ¶ as enacted by PL 1975, c. 742, §4, is amended to read:

Sections ~~41~~, 44, 46, 50 and 50-A, and as much of sections 38-B and 49-A that apply to members who are state employees, shall apply to all retirement allowances that are first payable on or after July 1, 1976; except that any part of a retirement

allowance based on creditable service and earnable compensation paid prior to July 1, 1976, that would be higher if determined, on a pro rata basis, under the provisions of chapter 101 in effect immediately prior to July 1, 1976, shall be so determined; and section 41 shall apply to retirement allowances payable to any member of the State Police, who became a member of that department on or after January 1, 1976, and that retirement allowances payable to members of the State Police who became a member of that department on or before December 31, 1975, shall be determined under the provisions of chapter 101 in effect immediately prior to January 1, 1976, except that such members shall receive an additional 2% of the member's average final compensation for each year of membership service not included in determining eligibility for retirement under this paragraph.

Fiscal Note

Enactment of this amendment will result in some increase in revenue at the participating district level; however, the Maine State Retirement System has been unable to calculate the exact amount at the present time.'

Statement of Fact

The purpose of this amendment is to provide for the computation of benefits based on 1/2 salary rather than 1/2 final compensation. This means of computation will prevent the inclusion of ^{or} overtime premium pay which might artificially inflate the sum on

which the benefits are based. The benefits would be based on the annual rate of salary at the point of retirement or the gross amount, not including premium or overtime pay, earned in the preceding 12 months, whichever is greater.

Reported by the Minority of the Committee on Veterans and Retirement.

Reproduced and distributed under the direction of the Clerk of the House.

5/11/77

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