

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 337

H. P. 261

House of Representatives, February 6, 1979

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

EDWIN H. PERT, Clerk

Presented by Mr. Dellert of Gardiner.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-NINE

AN ACT Pertaining to Ordinary Death Benefits Under the Maine State Retirement System.

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

**Sec. 1.** 5 MRSA § 1124, sub-§ 1, ¶ C, as amended by PL 1975, c. 622, § 55, is repealed and the following enacted in its place:

**C.** In lieu of accepting the benefits provided in paragraphs A or B, the first of certain designated beneficiaries, if living at the death of the member or former member, may elect to substitute the benefits described in this paragraph, provided that the deceased member or former member had 20 years or creditable service at the time of his death. The designated beneficiary shall be a spouse, child or children, parent or parents of the deceased; or, if no designation was made, the first of the following list of persons, if any, alive at the death of the member or former member: Spouse, child or children, parent or parents of the deceased. Participating local districts which are subject to these provisions may limit the designated beneficiaries eligible for these benefits. Any alteration in the designation of the beneficiaries shall be in the manner provided in section 1033. The beneficiary shall be paid, commencing the first month after death occurs and continuing until the date of his death, a retirement allowance computed in accordance with section 1121, subsection 2, paragraph A, and subject to the reduction required in section 1121, subsection 3,

as if the service retirement of the member or former member had taken place on the date of his death. These benefits shall be payable in accordance with section 1126, option 2.

Sec. 2. 5 MRSA § 1124, sub-§ 1, ¶ D, is enacted to read:

D. A member may specify the refund of his accumulated contributions to a designated beneficiary or to his estate in lieu of any payment to survivors, as provided in paragraphs B and C, by filing an affidavit with the executive director expressing the intent.

Sec. 3. **Retroactivity.** Each person currently receiving benefits under Title 5, section 1124, subsection 1, paragraph B, may elect to receive benefits under paragraph C, if eligible, in lieu of the benefits currently being received under paragraph B, upon written application to the executive director prior to January 1, 1980. Benefit recomputation and payments for all persons electing benefits under paragraph C shall become effective as of the first day of the month following the effective date of this Act. Notwithstanding these provisions, a participating local district electing the provisions of this Act may limit its retroactive application as indicated herein. Participating local districts who elect to adopt the provisions of this Act shall designate the effective date of this Act for purposes of determining which persons currently receiving benefits under Title 5, section 1124, subsection 1, paragraph B, may elect paragraph C benefits, if eligible, in lieu thereof.

For participating local districts, benefit recomputation and payments for all persons, if any, electing benefits under paragraph C shall become effective as of the first day of the month following notification of the board of trustees as provided in this section.

Sec. 4. **Participating local districts.** This Act shall only apply to participating local districts who elect to adopt its provisions as provided in Title 5, section 1033 and 1092.

Sec. 5. **Appropriation.** The following funds shall be appropriated from the General Fund to carry out the purposes of this Act.

	<b>1979-80</b>
<b>MAINE STATE RETIREMENT SYSTEM</b>	
Survivor Benefit Fund	
State Employees	
All Other	\$188,070
Teachers	
All Other	662,657
Total	\$850,727

## STATEMENT OF FACT

This bill allows the spouse, or other designated beneficiary, to choose a reduced retirement allowance, based on the deceased member's contribution to the retirement system, when that deceased member has more than 20 years of service, but less than 25 years of service and was not eligible for retirement at the time of death. Local option provisions allow the participating districts to limit the designated beneficiaries and to limit the retroactive application of this provision.

Enactment of this bill will require an appropriation of \$850,727 from the General Fund for the fiscal year 1979-80; and \$238,273 will be required from other state funds. Funding for future years will be included in the employer percentage applied to payrolls in the case of state employees and through an appropriation request in the case of teachers.