

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

## SECOND REGULAR SESSION - 1990

Legislative Document

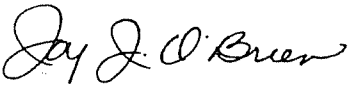
No. 1946

S.P. 742

In Senate, December 14, 1989

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.

Received by the Secretary of the Senate on December 14, 1989. Referred to the Committee on Aging, Retirement and Veterans and 1,600 ordered printed pursuant to Joint Rule 14.

  
JOY J. O'BRIEN  
Secretary of the Senate

Presented by President PRAY of Penobscot.

Cosponsored by Senator TITCOMB of Cumberland, Representative HICKEY of Augusta and Representative HUSSEY of Milo.

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STATE OF MAINE

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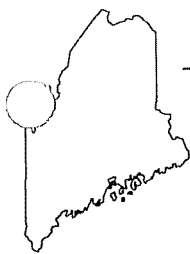
IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY.

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An Act to Establish a Consolidated Retirement Plan in the Maine State Retirement System for Participating Local Districts.

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(EMERGENCY)



Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the principal purpose of this legislation is to establish a new consolidated retirement plan for employees of participating local districts in the Maine State Retirement System; and

Whereas, the plan will be developed by the Oversight Committee as set forth in this Act; and

Whereas, it is in the best interest of the employees of the participating local districts that this committee be appointed and be enabled to complete its work on this plan as soon as possible; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

**Sec. 1. 5 MRSA §12004-F, sub-§9-A is enacted to read:**

**9-A. Oversight Committee, Maine State Retirement System**                      **Not Authorized**                      **5 MRSA §18802**

**Sec. 2. 5 MRSA §18201, first ¶, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:**

A local district may contract for the participation of its employees in the retirement system under this chapter any time before the date the Oversight Committee puts into operation the consolidated retirement plan for participating local districts under chapter 427. After the effective date of the consolidated plan described in chapter 427, a local district may only contract for participation in a program provided by the consolidated plan under chapter 427.

**Sec. 3. 5 MRSA c. 427 is enacted to read:**

**CHAPTER 427**

**PARTICIPATING LOCAL DISTRICTS**

**CONSOLIDATED PLAN**

2 §18801. Plan

4 The Oversight Committee as authorized by section 18802 shall  
4 establish by rule a retirement plan for local districts.

6 1. Plan content. Benefits provided by the plan must  
8 include:

10 A. Service retirement benefits, including:

12 (1) Several plans, with levels of benefits to meet the  
12 needs of various classes of employees and employers; and

14 (2) Portability between the several plans;

16 B. Death benefits;

18 C. Disability retirement benefits which are:

20 (1) Based upon chapter 425, subchapter V, article 3-A;  
22 or

24 (2) Any replacement for that law;

26 D. Compulsory and optional membership requirements;

28 E. Exemption from compulsory membership for employees in  
28 districts with coverage under the Social Security Act; and

30 F. A provision that the level of service retirement  
32 benefits for employees of participating local districts  
32 which adopt this plan shall not be reduced with relation to  
34 either benefits based upon service before adoption of this  
34 plan or benefits based upon service after adoption of this  
36 plan.

38 2. Implementation of plan. The Oversight Committee, as  
38 part of its rules, shall set the date on which the plan must be  
40 put in to operation.

42 3. Amendments to the plan. The committee shall review  
42 proposed amendments to the consolidated retirement plan received,  
44 under this chapter, from members of the retirement system,  
44 participating local districts and the board of trustees. Any  
46 proposed amendment approved by the committee shall be adopted as  
46 an amendment to the rules.

48 4. Rule-making procedure. The rules and amendments  
50 established by the committee shall be promulgated in accordance  
50 with and subject to judicial review as set forth in chapter 375,  
52 subchapter 11, to the extent chapter 375 is applicable. Adoption  
52 of the rule establishing the plan and any rules amending the plan  
54 requires 8 affirmative votes. Upon adoption of the rule  
54 establishing the plan and any rules amending the plan, the

2 committee shall forward the rule to the board together with  
3 certification of the committee's action signed by the chair.

4 **§18802. Oversight Committee**

6 **1. Composition of committee.** The Oversight Committee shall  
7 be composed of 10 voting members and 2 nonvoting members:

8 A. Five members, who are members of labor organizations  
9 which represent participating local district employees;

10 B. Five members who represent participating local districts;

11 C. One nonvoting member appointed by the Governor; and

12 D. One ex officio nonvoting member who shall be the  
13 executive director or the executive director's designee.

14 **2. Appointment of members.** The voting members of the  
15 committee shall be appointed by the Governor after being  
16 nominated as follows.

17 A. The 5 members who represent participating local district  
18 employees shall be nominated by their respective labor  
19 organizations:

20 (1) One member nominated by the Maine Teachers  
21 Association;

22 (2) One member nominated by the American Federation of  
23 State, County and Municipal Employees;

24 (3) One member nominated by the Service Employees  
25 International Union;

26 (4) One member nominated by the International  
27 Association of Fire Fighters; and

28 (5) One member nominated by the International  
29 Brotherhood of Teamsters, Chauffeurs, Warehousemen and  
30 Helpers of America.

31 B. The members who represent participating local districts  
32 shall be nominated as follows:

33 (1) Three members nominated by the Maine Municipal  
34 Association; and

35 (2) Two members nominated by the Maine School  
36 Management Association.

37 **3. Chair.** The executive director, or a designee, shall be  
38 a nonvoting member of the committee and shall serve as chair.

2           4. Term. The term of the members shall be determined as  
3           follows.

4  
5           A. Each member, except the initial appointees, shall serve  
6           a term of 5 years.

7  
8           B. A member shall continue to serve after the expiration of  
9           that member's term until a qualified successor is  
10           appointed. The member's continuation as a member does not  
11           change the expiration of that member's term.

12  
13           C. The term of a member appointed to succeed a member whose  
14           term has expired shall expire 5 years after the expiration  
15           date of the term of the previous member, regardless of the  
16           effective date of the new appointment. There shall be no  
17           limit to the number of terms to which a member may be  
18           appointed.

19           D. An appointment to fill a vacancy caused by the death,  
20           resignation or ineligibility of a member shall be for the  
21           unexpired portion of the term and a nomination shall be made  
22           by the organization the former member represented as  
23           provided in subsection 2.

24  
25           E. The terms of the initial appointments shall be as  
26           follows.

27  
28           (1) Members who represent participating local district  
29           employees shall be appointed, one each, to terms of 1,  
30           2, 3, 4 and 5 years, to be determined among themselves  
31           following appointment.

32  
33           (2) Members who represent participating local  
34           districts shall be appointed, one each, to terms of 1,  
35           2, 3, 4 and 5 years, to be determined among themselves  
36           following appointment.

37  
38           F. A member shall be considered to have resigned if:

39           (1) The member severs the affiliation with the  
40           organization which nominated the member in accordance  
41           with subsection 2; or

42           (2) The member is absent from 3 consecutive meetings  
43           of the committee without good cause.

44  
45           5. Transaction of business. The transaction of business by  
46           the committee shall be governed as follows.

47  
48           A. Seven members shall constitute a quorum for the  
49           transaction of any business.

2           B. Each committee member is entitled to one vote.

4           C. Except as provided by section 18801, subsection 4, 6  
6           affirmative votes are necessary for the passage of any  
            resolution or any other action by the committee.

8           §18803. Assistance by board

10           1. Staff assistance. The board may authorize the  
            retirement system staff to give assistance to the committee.

12           2. Expenses. The board may authorize the payment of  
14           necessary expenses incurred in the operation of the committee  
            from the funds allocated for that purpose based upon a budget  
16           submitted by the committee.

18           3. Duties of the board. Nothing in this chapter may be  
            construed to alter the duties of the board to administer the  
20           retirement plan of participating local districts.

22           §18804. Local district participation

24           A local district may contract for the participation of its  
            employees in the retirement system under this chapter.

26           1. Local districts that are not municipalities. For a  
28           local district that is not a municipality, as defined in Title 1,  
            section 72, subsection 13, the executive body of the district  
30           must approve participation and must file with the board a duly  
            certified copy of a resolution or order, with a record of the  
32           vote of the executive body, which must include:

34           A. Approval of the participation;

36           B. The benefit plans which are to apply;

38           C. Excluded employees, as required by subsection 3; and

40           D. The date when participation begins, as required by  
            subsection 4.

42           2. Local districts that are municipalities. For a local  
44           district that is a municipality, as defined in Title 1, section  
            72, subsection 13, the legislative body of the municipality must  
46           approve participation and must file with the board a resolution  
            or order, certified by the clerk of the municipality, with a  
48           record of the vote of the legislative body, which must include:

50           A. Approval of the participation;





2

In order to ensure that employers and employees have an opportunity to participate in the development of the plan, the plan will be developed and adopted as a rule by a committee made up equally of representatives of employers and employees.

4