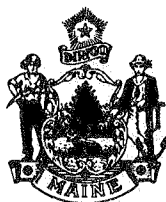


MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 878

S.P. 270

In Senate, February 6, 1997

An Act to Further Facilitate the Purchase of Service Credit in the Maine State Retirement System.

Reference to the Committee on Labor suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator TREAT of Kennebec.
Cosponsored by Representatives: COLWELL of Gardiner, HATCH of Skowhegan, SAMSON of Jay.

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

4 **Sec. 1. 5 MRSA §17754, sub-§1, ¶G,** as amended by PL 1993, c.
349, §18, is further amended to read:

6 G. Upon complete payment of the back contributions under
8 paragraph B or section 17764 17764-A, the member must be
10 granted service credit for the period of time for which the
12 contributions have been made. Upon making partial payment
of the back contributions under paragraph B or section 17764
17764-A, the member must be granted service credit on a pro
rata basis in accordance with rules adopted by the board.

14 **Sec. 2. 5 MRSA §17764,** as enacted by PL 1989, c. 709, §3, is
repealed.

16 **Sec. 3. 5 MRSA §17764-A** is enacted to read:

18 **§17764-A. Vista, Peace Corps and foreign teaching**

20 **1. Service credit.** Members who served in the Peace Corps,
22 foreign or domestic, the Volunteers in Service to America Program
or the Fulbright Exchange Program or who taught children of
24 United States Foreign Service Corps personnel outside the
continental United States or United States Armed Forces personnel
26 located in any foreign country on a regularly established United
States military base may purchase service credit for that service
28 under the following conditions. For the purposes of this section
"members" means state employees and teachers.

30 A. The service credit may not exceed 2 years.

32 B. Members whose service in these organizations preceded
34 their becoming members in the Maine State Retirement System
must, on the date of retirement, have at least 15 years of
36 creditable service.

38 C. Members who terminated service in the State as state
40 employees or teachers prior to service with these
organizations must return to state employment or active
42 teaching in the State within one year of the completion of
service in these organizations.

44 D. Members must, before any retirement benefit becomes
46 effective, pay into the Members' Contribution Fund by a
single direct payment or annual direct payments to the
48 retirement system an amount that, together with regular
interest on that amount, is the actuarial equivalent, at the
effective date of the retirement benefit, of the portion of

2 the retirement benefit based on the additional creditable
service. Payments must be made as provided in section 17701.

4 2. Leave credit. A member may purchase service credit for
the period during which that person took an unpaid or partially
6 paid educational leave pursuant to the Maine Educational Leave
Act. A member must, before any retirement benefit becomes
8 effective, pay into the Members' Contribution Fund by a single
payment or annual direct payments to the retirement system an
10 amount that, together with regular interest on that amount, is
the actuarial equivalent, at the effective date of the retirement
12 benefit, of the portion of the retirement benefit based on the
additional creditable service. Service credits must be made to
14 members as provided in section 17704. Payments must be made as
provided in section 17701.

16
18

SUMMARY

20 This bill allows members of the Maine State Retirement
System to purchase service credit for time during which the
22 member was on an unpaid or partially paid educational leave.
Members must pay the actuarial cost for this service credit so
24 that there is no cost to the State.