

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
118TH LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 750, L.D. 1027, Bill, "An Act to Permit Teachers to Transfer Retirement System Creditable Service Earned as a Teacher's Aide while Employed by a School and Covered by a Participating Local District"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

Sec. 1. 5 MRSA §17765 is enacted to read:

§17765. Teacher previously employed as teacher's aide or Educational Technician I

A member who is a teacher who was previously employed by a school administrative unit in this State as a teacher's aide or Education Technician I may purchase service credit for the time so employed, under the following conditions.

1. Payment to fund. Before the retirement benefit becomes effective, members must pay into the Members' Contribution Fund by a single direct payment or annual direct payments to the 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 the retirement benefit based on the additional creditable service. Payments must be made as provided in section 17701, subsection 4.

2. Partial payment and partial service credit. If any retirement becomes effective before the completion of the payment under this section, the member is entitled to service credit for that portion of the additional creditable service that the total amount of payments actually made, plus regular interest on those payments to the date the retirement benefit becomes effective,

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2 bears to the actuarial equivalent of the total portion of the
retirement benefit based on the additional creditable service.

4 3. Limitation on use of purchased service credit.
6 Notwithstanding any other provision of law, any service credit
8 purchased under this section may be used only for the purpose of
increasing the amount of a member's service retirement benefits
by inclusion of the purchased service credit and may not be used
for any other purpose.

10 4. Additional conditions of service credit purchase if some
12 or all employment as teacher's aide or Educational Technician I
14 was under a participating local district plan. If a member was
16 previously employed as a teacher's aide or an Educational
Technician I and was a member under a participating local
district plan, then the following additional conditions apply:

18 A. If a member was also previously employed as a teacher's
20 aide or an Educational Technician I by a school
22 administrative unit where the member was not a member under
24 a participating local district plan, and the member is
26 purchasing or purchases less than all of the member's total
time as a teacher's aide or an Educational Technician I, all
of the time during which the member was employed as a
teacher's aide or an Educational Technician I and was a
member under a participating local district plan must be
purchased before the member may purchase any of the time
during which the member was employed as a teacher's aide or
Educational Technician I and was not a member under a
participating local district plan; and

32 B. As of the date that the retirement system receives any
34 payment toward the purchase, a member's purchase of any
36 service credit under this section for time during which the
38 member was employed as a teacher's aide or an Educational
40 Technician I and was a member under a participating local
42 district plan is an irrevocable election to use the service
44 credit purchased to increase the member's service retirement
benefits under the teacher retirement plan, in accordance
with subsection 3. Any portion of the service credit that
is purchased or available for purchase may not after
purchase or being made available for purchase be considered
to be service credit under the participating local district
by which the member was employed as a teacher's aide or an
Educational Technician I, regardless of whether the member
completed the payment for purchase under this section. A
member who does not complete the payment for purchase before
the member's retirement becomes effective is entitled to
service credit as provided in subsection 2.'

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Further amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

This bill will not increase employer contribution rates and will not affect the unfunded actuarial liability of the Maine State Retirement System. The member purchasing the service credit is responsible for the full actuarial cost and the use of this service credit is limited to avoid an increase in the unfunded liability. The system may incur some minor additional administrative costs which can be absorbed within the system's existing budgeted resources.'

SUMMARY

This amendment expands on the bill, which authorized a teacher to count as creditable service for retirement purposes the time that the teacher was formerly employed as a teacher's aide by a school administrative unit that was a participating local district in the Maine State Retirement System. The amendment makes the following changes.

1. It authorizes any former teacher's aide or former, present or future Education Technician I who becomes a teacher to purchase retirement service credit for teacher's aide or Educational Technician I employment.

2. It requires the teacher to pay to the retirement system the actuarial equivalent of the portion of the retirement benefit based on the time being purchased so that purchase is cost-neutral to the retirement system.

3. It limits use of the service credit purchased under the bill to increasing retirement service benefits so that the credit may not be used for any other purpose such as for vesting or qualification for early retirement.

4. It imposes additional conditions on the purchase of service credit under the bill if some or all of the teacher's Education Technician I or teacher's aide employment was under a participating local district in the retirement system.