

MAINE STATE LEGISLATURE

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L.D. 1137

DATE:

(Filing No. S- 52)

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STATE OF MAINE
SENATE
118TH LEGISLATURE
FIRST REGULAR SESSION

SENATE AMENDMENT "T" to COMMITTEE AMENDMENT "A" to H.P. 832, L.D. 1137, Bill, "An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 1998 and June 30, 1999"

Amend the amendment by inserting at the end before the emergency clause the following:

PART XX

Sec. XX-1. 3 MRSA §702, as enacted by PL 1985, c. 507, §1, is amended to read:

§702. Name; purpose

There is established the Maine Legislative Retirement System, which shall have has the powers and privileges of a corporation.

The purpose of the Maine Legislative Retirement System is to provide retirement allowances and other benefits under this chapter for Legislators who are members of the Maine Legislative Retirement System, as provided in section 862, subsection 1.

Sec. XX-2. 3 MRSA §755, sub-§1, as enacted by PL 1985, c. 507, §1, is amended to read:

1. Findings. The Legislature finds that the State owes a great debt to its retired Legislators for their years of faithful and productive service. Part of that debt is repaid by the

benefits provided to Legislators through the Maine Legislative Retirement System. The Legislature further finds that continued accrual of benefits after December 1, 1998 is an unnecessary expense and is inconsistent with legislative term limits and the concept of a citizen Legislature. Accrual of benefits after December 1, 1998 is appropriate only for Legislators who are vested in the Maine Legislative Retirement System on December 1, 1998.

Sec. XX-3. 3 MRSA §801, sub-§1, as amended by PL 1989, c. 133, §7, is further amended to read:

1. Membership mandatory. Every Legislator serving in the Legislature on or after December 3, 1986, ~~shall be~~ is a member of the Maine Legislative Retirement System, except that any Legislator who is a member of the Maine State Retirement System on December 2, 1986, may continue to be a member of that system instead of becoming a member of the Maine Legislative Retirement System, and any Legislator who is a public school teacher or an employee of the ~~Vocational-Technical--Institute~~ Maine Technical College System on leave of absence ~~shall continue~~ continues to be a member of the Maine State Retirement System and to have contributions deducted from the member's legislative salary as provided by Title 5, section 17701. A Legislator who is the recipient of a retirement allowance from the Maine State Retirement System ~~shall become~~ becomes a member of the Maine Legislative Retirement System, but ~~no~~ creditable service granted under the Maine State Retirement System ~~shall~~ may not be transferred to the Maine Legislative Retirement System. A member ~~shall cease~~ ceases to be a member when the member withdraws the member's contributions, becomes a beneficiary as a result of the member's own retirement or dies. Notwithstanding this subsection and any other provision of law, a Legislator may not become or remain a member of the Maine Legislative Retirement System or, except as provided in section 862, subsection 3, earn creditable service under the Maine State Retirement System while serving in the Legislature after December 1, 1998 unless that Legislator is a member of the Maine Legislative Retirement System on December 1, 1998, as provided in section 862, subsection 1.

Sec. XX-4. 3 MRSA §802, sub-§3, as enacted by PL 1985, c. 507, §1, is amended to read:

3. Disability retirement. The period following the termination of service and before November 30, 1998 for which a beneficiary receives disability retirement allowance payments under section 853 ~~shall be~~ is allowed as membership service. The period following the termination of service and after December 1, 1998 for which a beneficiary receives disability retirement allowance payments under section 853 is allowed as membership

SENATE AMENDMENT " " to COMMITTEE AMENDMENT "A" to H.P. 832,
L.D. 1137

service only if the beneficiary is a member of the Maine
Legislative Retirement System, as provided in section 862,
subsection 1.

Sec. XX-5. 3 MRSA §805, as amended by PL 1993, c. 387, Pt.
A, §1, is further amended to read:

§805. Return of accumulated contributions

1. Refund of contributions. Following termination of
service, except by death or retirement under this chapter or
after December 1, 1998 if a Legislator's membership is terminated
on that date under section 801, subsection 1, a member,--upon
application--to--the--Maine--Legislative--Retirement--System,--shall
must be paid the amount of his member's accumulated contributions
to the system,--if--any upon application to the Maine Legislative
Retirement System.

A. If the member has less than 10 years of creditable
service, interest shall may not be paid on the accumulated
contribution for any period after the 5th anniversary of
termination of service or termination of membership.

B. Payment For Legislators or former Legislators seeking a
refund of accumulated contributions, payment must be made
upon application and upon termination of service and in not
less than 22 days and not more than 60 days after receipt of
the application and or receipt of the last payroll upon
which the name of the member appears contributions to the
Maine Legislative Retirement System were taken, whichever
occurs later.

2. Applicability. This section shall does not apply to
contributions paid by the State. This section does not require a
Legislator or former Legislator to apply for a refund of
accumulated contributions.

Sec. XX-6. 3 MRSA c. 30 is enacted to read:

CHAPTER 30

LEGISLATIVE RETIREMENT OPTIONS

§861. Legislative retirement plans

The Board of Trustees of the Maine State Retirement System
shall administer the defined contribution plan and the deferred
compensation plan for Legislators as provided in this chapter.

§862. Participation

2 Except as otherwise provided in this section, every
3 Legislator holding office after December 1, 1998 must, while in
4 office, participate in a defined contribution plan under the
5 United States Internal Revenue Code, Section 401(a), referred to
6 in this chapter as a "401(a) plan," a deferred compensation plan
7 under the United States Internal Revenue Code, Section 457,
8 referred to in this chapter as a "457 plan," both a 401(a) plan
9 and a 457 plan or elect coverage under the United States Social
10 Security Act.

12 1. Participation in Maine Legislative Retirement System. A
13 Legislator who, on December 1, 1998, is a member of the Maine
14 Legislative Retirement System under chapter 29 is not required to
15 participate in the defined contribution or deferred compensation
16 plans under this chapter and may continue to participate in the
17 Maine Legislative Retirement System if that Legislator:

18 A. Has 10 years of creditable service in the Maine
19 Legislative Retirement System on December 1, 1998;

22 B. Is at least 60 years of age, is serving in the
23 Legislature on December 1, 1998 and had at least 10 years of
24 creditable service on July 1, 1993; or

26 C. Is at least 62 years of age, is serving in the
27 Legislature on December 3, 1996 and had fewer than 10 years
28 of creditable service on July 1, 1993.

30 2. Teachers and technical college employees. A Legislator
31 who is a public school teacher or an employee of the Maine
32 Technical College System on leave of absence continues to be a
33 member of the Maine State Retirement System and to have
34 contributions deducted from the member's legislative salary as
35 provided by Title 5, section 17701-A.

36 3. Certain former state employees and legislative members
37 of Maine State Retirement System. A Legislator who was a member
38 of the Maine State Retirement System on December 2, 1986 and who
39 remains a member on December 1, 1998 may continue to be a member
40 of the Maine State Retirement System.

42 4. Social Security participation. A Legislator who elects
43 coverage under the United States Social Security Act need not
44 participate in a 401(a) or 457 plan.

46 5. Voluntary participation. Subsections 1 to 4 do not
47 prohibit a Legislator who is not required to participate in
48 either the 401(a) plan or the 457 plan from voluntarily
49 participating in either one or both, except that the Legislature
50 may require a Legislator to participate in either one or both.

may not make contributions to any plan on behalf of Legislators
who voluntarily participate in the plan.

§863. Contributions

1. Legislator contributions. A Legislator may participate
in the 401(a) plan or the 457 plan, or both, by making
contributions as provided in this section. A Legislator
participating in the 401(a) plan must contribute to the plan at a
rate of at least 7.5% of legislative compensation annually. A
Legislator participating in the 457 plan only must contribute at
least 7.5% of legislative compensation annually. Other amounts
may be contributed to the 401(a) or 457 plans as provided by
federal law.

2. Employer contributions. The Legislature shall
contribute to the retirement plan option or options elected by
the Legislator at the same rate as the Legislator contributes up
to a total contribution rate that may not exceed the contribution
rate then assessed to employers under the United States Social
Security Act.

§864. Disability retirement

A Legislator who becomes disabled while participating in the
401(a) plan or the 457 plan, or both, may receive a disability
retirement allowance on the same basis as provided for members of
the Maine State Retirement System by Title 5, chapter 423,
subchapter V, article 3-A.

§865. Exercising retirement options

Any options provided under this chapter must be exercised by
the Legislator within 10 days of being sworn into office. An
option once exercised may not be changed during the legislative
biennium. For Legislators not participating in the Maine
Legislative Retirement System under chapter 29, failure to select
either the 401(a) plan or the 457 plan is considered to be
selection of coverage under the United States Social Security Act.

§866. Reports from Executive Director of Legislative Council

The Executive Director of the Legislative Council shall
submit reports on the employment, compensation and participation
of Legislators in legislative retirement plans to the Board of
Trustees of the Maine State Retirement System as required by the
board. The Board of Trustees of the Maine State Retirement
System shall work with the Executive Director of the Legislative
Council to provide information to Legislators regarding the

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SENATE AMENDMENT " " to COMMITTEE AMENDMENT "A" to H.P. 832, L.D. 1137

options and impacts of participation in the legislative retirement plans provided in this chapter.

Sec. XX-7. Repeal. The Maine Legislative Retirement System shall submit legislation to repeal the Maine Revised Statutes, Title 3, chapter 29 as soon as practicable after all liabilities of the system have been discharged.

PART YY

Sec. YY-1. 5 MRSA §285, sub-§7, as amended by PL 1995, c. 368, Pt. G, §2, is further amended by amending the first paragraph to read:

7. Payment by State. Except as otherwise provided in this subsection, the State, through the commission, shall pay 100% of only the employee's share of this health plan, except for Legislators, for whom the State shall pay 50% 80% of the Legislator health plan premium and 40% of the health plan premium for dependent coverage. For any person appointed to a position after November 1, 1981, who is employed less than full time, the State shall pay a share of the employee's share reduced pro rata to reflect the reduced number of work hours.

PART ZZ

Sec. ZZ-1. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Part.

1998-99

LEGISLATURE

Legislature

Personal Services	(\$200,000)
Deappropriates funds from savings from requiring Legislators to pay 20% of their health insurance and 60% of their dependent's health insurance.	

LEGISLATURE

TOTAL (\$200,000)

MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES,

SENATE AMENDMENT " " to COMMITTEE AMENDMENT "A" to H.P. 832,
L.D. 1137

DEPARTMENT OF

Mental Health Services - Community

All Other 200,000

Appropriates funds for additional
community-based mental health services.

**DEPARTMENT OF MENTAL HEALTH, MENTAL
RETARDATION AND SUBSTANCE ABUSE**

SERVICES

TOTAL

200,000

TOTAL APPROPRIATION

\$0'

Further amend the bill by relettering or renumbering any
nonconsecutive Part letter or section number to read
consecutively.

FISCAL NOTE

This amendment will have no net effect on General Fund
appropriations and revenue and a balanced budget is maintained
for fiscal year 1997-98 and fiscal year 1998-99.

SUMMARY

This amendment eliminates the present legislative retirement
system for Legislators not vested on December 1, 1998. After
that date, current non-vested and future newly elected
Legislators may select to join either a 401(a) defined
contribution plan, a 457 deferred contribution plan, both plans
or Social Security.

Legislators participating in the 401(a) or 457 plans must
contribute at least 7.5% of their compensation to one of the
plans. Additional contributions above that level are possible
subject to federal law. The State will contribute a like amount
on behalf of each Legislator up to the then-assessed employer
contribution rate under Social Security.

Former Legislators or their beneficiaries who are currently
receiving a retirement allowance or Legislators who are receiving
a disability retirement allowance will not have their benefits
affected by this bill. Current Legislators who are vested and,
therefore, are eligible to receive a retirement benefit at some

R. 418

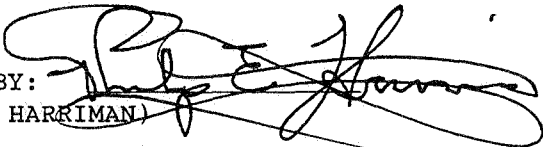
SENATE AMENDMENT " " to COMMITTEE AMENDMENT "A" to H.P. 832,
L.D. 1137

2 point in the future will not have their accrued benefits affected
and can continue to accrue service for future legislative service.

4 The Board of Trustees of the Maine Legislative Retirement
6 System will continue to oversee the administration of the current
Maine Legislative Retirement System. Once all liabilities of the
8 system have been discharged, the system is required to submit
legislation to repeal the Maine Revised Statutes, Title 3,
chapter 29.

10 This amendment also requires Legislators to pay 20% of their
12 health insurance and 60% of their dependents' health insurance
premiums.

14 The amendment deappropriates the savings in Legislator
16 benefits from the Legislature and reappropriates the same amount
to the Department of Mental Health, Mental Retardation and
18 Substance Abuse Services for community-based mental health
services.

20
22
24 SPONSORED BY: 
(Senator HARRIMAN)

26 COUNTY: Cumberland

28

SENATE AMENDMENT