

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 672

S.P. 236

In Senate, February 14, 2003

An Act To Allow Certain Employees of the Maine Technical College System To Amend Their Retirement System Election

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 EDMONDS of Cumberland.

Cosponsored by Senators: BROMLEY of Cumberland, STANLEY of Penobscot,

Representatives: HATCH of Skowhegan, HUTTON of Bowdoinham, JACKSON of Fort Kent,
PATRICK of Rumford.

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

Sec. 1. 20-A MRS §12722, sub-§9 is enacted to read:

9. Confidential employees; participation in Maine State Retirement System. Notwithstanding other provisions of this section, confidential employees of the Maine Technical College System who are not represented in a collective bargaining unit and who elected to participate in the defined contribution retirement plan under this section may elect to participate or resume participation in the Maine State Retirement System as provided in this subsection. This subsection applies only to confidential employees of the Maine Technical College System who are not represented in a collective bargaining unit.

A. A former member of the Maine State Retirement System who is covered by this subsection and who was employed by the Maine Technical College System and who elected to participate in the defined contribution retirement plan and terminated participation in the Maine State Retirement System may elect to terminate participation in the defined contribution retirement plan and to resume participation in the Maine State Retirement System and, upon repayment of earlier contributions plus interest, is entitled to all service credit acquired during the previous membership. The election must be made in writing to the Maine State Retirement System no later than January 1, 2004. The amount of repayment must be equal to the accumulated contributions withdrawn by the former member plus interest on the amount of those accumulated contributions, beginning on the date of withdrawal to the date the repayment or repayments are made, at a rate to be set by the Board of Trustees of the Maine State Retirement System, not to exceed regular interest, as defined in Title 5, section 17001, subsection 31, by 5 percentage points.

(1) Notwithstanding Title 5, section 17703, subsection 1, payment under this paragraph may be made immediately after notification of the Maine State Retirement System of the election provided in this paragraph and upon determination by the Maine State Retirement System of the amount due to repay the previously withdrawn contributions.

(2) A former member electing the option provided in this paragraph may also purchase service credit under the Maine State Retirement System for all or part of the time that the former member participated in the defined contribution retirement plan. Purchase of service credit under this subparagraph consists of

2 payment of an amount that, together with regular
4 interest as defined in Title 5, section 17001,
6 subsection 31 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.

8 B. An employee of the Maine Technical College System who is
10 covered by this subsection and who elected to participate in
12 the defined contribution retirement plan may elect to
14 terminate participation in the defined contribution
retirement plan and to participate in the Maine State
Retirement System by notifying the Maine State Retirement
System in writing no later than January 1, 2004.

16 (1) An employee of the Maine Technical College System
18 electing the option provided in this paragraph may also
20 elect to purchase service credit under the Maine State
22 Retirement System for all or part of the time that the
24 employee participated in the defined contribution
26 retirement plan. The election must be made in writing
28 to the Maine State Retirement System no later than
January 1, 2004. Purchase of service credit under this
subparagraph consists of payment of an amount that,
together with regular interest as defined in Title 5,
section 17001, subsection 31 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.

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32 C. Payment to the Maine State Retirement System under this
34 subsection may be made by single direct payment or annual
36 direct payments to the Members' Contribution Fund and must
38 be made before any retirement benefit from the Maine State
Retirement System becomes effective for that person. Annual
direct payments under this paragraph must be made as
provided in Title 5, section 17701, subsection 4.

40 SUMMARY

42 This bill allows confidential employees of the Maine
44 Technical College System who are not represented in a collective
bargaining unit to amend their retirement system election.