

MAINE STATE LEGISLATURE

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Report B

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L.D. 1396

Date: 6/20/17 Report B

(Filing No. H-523)

EDUCATION AND CULTURAL AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "B" to H.P. 970, L.D. 1396, Bill, "An Act To Remove Certain Restrictions Imposed on Retired State Employees Who Return to Work as Educators"

Amend the bill in section 1 in §17859 in subsection 1-A in paragraph A in the last line (page 1, line 22 in L.D.) by inserting after the following: "years," the following: 'and'

Amend the bill in section 1 in §17859 in subsection 1-A by striking out all of paragraphs D and E (page 1, lines 29 and 33 in L.D.) and inserting the following:

'D. At the same normal retirement cost contribution rate of the employer and employee as is required for the position if the position were filled by an employee who is not a retired state employee or retired teacher.'

Amend the bill in section 1 in §17859 in subsection 1-A in the 2nd blocked paragraph from the end in the last 5 lines (page 2, lines 1 to 5 in L.D.) by striking out all of the last underlined sentence.

SUMMARY

This amendment is the minority report of the committee. The amendment clarifies that a retired state employee or retired teacher who returns to service as a classroom-based employee or school administrator is entitled to the same normal retirement cost contributions that the employer and the employee are required to provide to the Maine Public Employees Retirement System that would be required for the position if the position were filled by an employee who is not a retired state employee or retired teacher.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



Approved: 06/19/17 *MAC*

128th MAINE LEGISLATURE

LD 1396

LR 895(03)

An Act To Remove Certain Restrictions Imposed on Retired State Employees Who Return to Work as Educators

Fiscal Note for Bill as Amended by Committee Amendment 'B' (H-523)

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

Current biennium cost increase - local school administrative units
Undetermined future biennium impact - State Employee and Teacher Program

Fiscal Detail and Notes

Under current law, school administrative units (SAU's) are not required to pay either the employer or employee contribution of the normal cost component of the State Employee and Teacher Retirement Program within the Maine Public Employees Retirement System for those retirees who have reached normal retirement age and who retired after September 1, 2011 and return to work as a classroom-based employee. This legislation adds school administrator positions and requires SAU's to pay both the employee and employer contributions for the classroom-based and school administrator positions filled by retired state employees and teachers even though no additional retirement benefits are being accrued by the returning employee. This provision will result in increased costs to SAU's versus what they would have been required to pay under current law. The impact to individual SAU's can not be estimated at this time.

The impact to the State Employee and Teacher Program within the Maine Public Employees Retirement System as a result of both employee and employer contributions being made towards the normal cost component of the plan while a retired state employee or teacher holds the position as a classroom-based employee or school administrator will be positive and will help offset any potential long-term negative impact to the program that may occur when members retire and begin receiving benefit payments earlier than actuarially anticipated.