

# MAINE STATE LEGISLATURE

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5/19/19  
A. G. S.

L.D. 1207

Date: 6/5/19 Majority

(Filing No. H- 497)

**LABOR AND HOUSING**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
129TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 871, L.D. 1207, Bill, "An Act To Expand the 1998 Special Retirement Plan To Include Detectives in the Office of Investigations within the Department of the Secretary of State, Bureau of Motor Vehicles"

Amend the bill by striking out all of section 13 and inserting the following:

**Sec. 13. Transition.** If a detective in the employment of the office of investigations within the Department of the Secretary of State, Bureau of Motor Vehicles on July 1, 2020 elects to participate in the 1998 Special Plan of the Maine Public Employees Retirement System, as provided in the Maine Revised Statutes, Title 5, section 17851-A, subsection 1, that employee must make that election no later than September 30, 2020 and that employee's participation in the 1998 Special Plan becomes effective October 1, 2020.

**Sec. 14. Appropriations and allocations.** The following appropriations and allocations are made.

**SECRETARY OF STATE, DEPARTMENT OF  
Administration - Motor Vehicles 0077**

Initiative: Allocates funds for the additional cost for detectives employed in the office of investigations within the Department of the Secretary of State, Bureau of Motor Vehicles, on July 1, 2020 to participate in the 1998 Special Plan on a prospective basis. Also allocates funds for the additional STA-CAP.

	<b>2019-20</b>	<b>2020-21</b>
<b>HIGHWAY FUND</b>		
Personal Services	\$0	\$20,936
All Other	\$0	\$974
<b>HIGHWAY FUND TOTAL</b>	\$0	\$21,910

**COMMITTEE AMENDMENT**

**SUMMARY**

This amendment is the majority report of the committee. The amendment changes the deadline for the one-time election for detectives in the Department of the Secretary of State, Bureau of Motor Vehicles to participate in the 1998 Special Plan and establishes the effective date of their participation. This amendment also adds an appropriations and allocations section.

**FISCAL NOTE REQUIRED**

**(See attached)**



# 129th MAINE LEGISLATURE

LD 1207

LR 684(02)

**An Act To Expand the 1998 Special Retirement Plan To Include Detectives in the Office of Investigations within the Department of the Secretary of State, Bureau of Motor Vehicles**

Fiscal Note for Bill as Amended by Committee Amendment "A (H-497)

Committee: Labor and Housing

Fiscal Note Required: Yes

## Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
<b>Net Cost (Savings)</b>				
Highway Fund	\$0	\$21,910	\$22,675	\$23,470
<b>Appropriations/Allocations</b>				
Highway Fund	\$0	\$21,910	\$22,675	\$23,470

### Fiscal Detail and Notes

Allowing detectives employed in the office of investigations within the Department of the Secretary of State, Bureau of Motor Vehicles, on or after July 1, 2020 to participate in the 1998 Special Plan of the Maine Public Employees Retirement System will increase both the normal cost and unfunded actuarial liability components of the employer retirement rate, resulting in increased employer contributions to the Maine Public Employees Retirement System for detectives beginning in fiscal year 2020-21.

This legislation includes a transition provision for those detectives hired by the Bureau of Motor Vehicles prior to July 1, 2020 which allows these employees to elect to participate in the 1998 Special Plan by September 30, 2020. Based on an analysis performed by the Maine Public Employees Retirement System, this fiscal note assumes that 8 of the 13 eligible detectives (including one new detective position proposed to be added in the 2020-2011 biennial budget) will elect to participate in the 1998 Special Plan as soon as the option becomes available and the remaining detectives will opt to stay in the State Regular Plan. This bill includes a Highway Fund allocation of \$21,910 in fiscal year 2020-21 to the Bureau of Motor Vehicles for the cost associated with moving the positions to the 1998 Special Plan.

If any of the detectives hired by the Bureau of Motor Vehicles prior to July 1, 2020 who choose to remain in the State Regular Plan eventually retire or otherwise vacate their positions, any newly hired detectives will be placed in the 1998 Special Plan. The additional cost to the Bureau of Motor Vehicles to fill these positions at the higher employer contribution rate is estimated to be between \$2,000 and \$3,000 per position annually. When this additional cost will be incurred and which fund will be impacted cannot be determined at this time.