

MAINE STATE LEGISLATURE

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This guide describes the compensation and benefits provided to legislators while in legislative service. It is intended to provide a summary of the compensation and benefits as a convenience to legislators; it is not a contract and does not bestow any rights or benefits. Provisions are subject to change, with or without notice. Comments or questions should be directed to the Office of the Executive Director.

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SALARY AND ALLOWANCES

- **LEGISLATIVE SALARY**
- **EXPENSE ALLOWANCES**
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- **DIRECT DEPOSIT OF LEGISLATOR SALARY AND EXPENSE REIMBURSEMENT**
- **CONSTITUENT SERVICES ALLOWANCE**
- **REPORTING LEGISLATIVE INCOME AND EXPENSES**

EXPENSE ALLOWANCES

(Authorized by 3 MRSA § 2)

Expenses During Legislative Session

In addition to their legislative salary, legislators receive expense payments during the session for their transportation, lodging and meal expenses. Payments are not necessarily reimbursement of actual expenses and, therefore, are subject to income taxes as provided by law. Expense payments are as follows:

A. Meals and Lodging: \$70/day (\$32 for meals plus \$38 for lodging)

or

B. Meals at \$32/day and mileage at \$0.44/mile not to exceed \$38/day and tolls (actual). However, the \$38 maximum does not apply to mileage incurred for one round trip per week which is calculated at the \$0.44 per mile rate.

Note: Expense payments are made **each week usually Wednesday or Thursday, for the previous week's expenses** if expense vouchers are submitted to the Executive Director's Office **by 12 noon on the previous Friday.** Direct deposit is mandatory for all legislators for expense reimbursements.

Expenses During Interim (when the Legislature is not in session)

During the legislative interim, legislators receive reimbursement of actual expenses for authorized travel or attendance at meetings. Legislators must submit a properly completed expense voucher in order to receive reimbursement.

Lodging:	Actual (receipt required)
Meals:	Up to \$32/day based on the following limits: Breakfast \$4.00; Lunch \$8.00; and Dinner \$20.00 (a receipt is required for any meal reimbursement over \$12)
Mileage:	\$0.44/mile
Tolls:	Actual

TRAVEL AUTHORIZATION AND REIMBURSEMENT

IN-STATE TRAVEL

Expenses for travel other than regular travel to and from the State House for Legislators to attend legislative sessions, **must be authorized in advance** by the Legislator's Presiding Officer.

OUT-OF-STATE TRAVEL

Travel outside of Maine **must be authorized in advance** by the Legislator's Presiding Officer and, if approved, will be reimbursed in accordance with expense reimbursement guidelines for legislator out-of-state travel.

SESSION EXPENSE REIMBURSEMENT GUIDELINES

In accordance with 3 MRSA §2, each Legislator is entitled to be paid for travel once each week during the session to and from the Legislator's home at the reimbursement rate provided for State employees (\$0.44 per mile). There is no maximum limit for one round trip mileage reimbursement during the week; the reimbursement is based on the actual number of miles. For all other travel that week, reimbursement is based on actual cost or a maximum of \$38 per day (the statutory limit), whichever is less. Actual toll expenses are also reimbursed.

For example, a Legislator whose round trip mileage from home to the State House is 80 miles will be reimbursed \$35.20 each day for travel to and from Augusta (80 miles X \$0.44). It is based on actual cost, since the reimbursement amount is less than the limit of \$38.

Using another example, a Legislator whose round trip mileage from home to the State House is 200 miles will receive one round trip mileage reimbursement of \$88 (200 miles X \$0.44). In addition, for each day the member uses overnight accommodations in Augusta, he or she is entitled to a lodging allowance of \$38 each day. In this example, if the member stayed at a motel for 3 nights, the total reimbursement would be \$202 (\$88 for one round trip plus \$114 for lodging (lodging allowance for 3 days X \$38). On the other hand, if that Legislator chose to travel to and from Augusta for 3 days, he or she would still receive total reimbursement of \$202 (\$88 for one round trip plus other mileage reimbursement of \$114 (3 days X \$38). In this instance, the daily limit of \$38 applies since a reimbursement amount for travel to and from Augusta for 3 days (\$88 X 3 days = \$264) would exceed the maximum allowable amount.

In addition to the lodging and mileage allowance, each Legislator is entitled to a daily meal allowance of \$32 for each day he or she is in attendance at sessions of the Legislature and for each day the member occupies overnight accommodations away from home either immediately preceding or immediately following attendance at daily sessions of the Legislature.

DIRECT DEPOSIT OF LEGISLATOR SALARY AND EXPENSE PAYMENTS ARE MANDATORY

Biweekly payroll payments as well as expense reimbursements are credited to the Legislator through direct deposit to the Legislator's designated financial institution. Payroll deductions are made for items such as federal and state taxes, retirement contributions, MSECCA and deferred compensation. A Legislator may choose the participating financial institution(s) into which the Legislator's salary payment is to be deposited.

A Legislator may apportion his or her salary payment among as many as four different financial institutions and into as many as four different accounts in those institutions. Most local banks and credit unions participate in this service. There is no State charge for this service. Forms for direct deposit will be provided by the Executive Director's Office.

Legislators will receive paper advices of deposit of payroll and may register to receive electronic advices of deposit through their email addresses.

CONSTITUENT SERVICES ALLOWANCE

(Authorized by 3 MRSA § 2)

In addition to legislator salary and expense payments, legislators receive a constituent services allowance to partially offset expenses incurred in providing services to their constituents, as follows:

For Senators:	\$2,000/year
1 st payment:	\$1,300 issued at the start of each regular session in January
2 nd payment:	\$ 700 issued in the month following adjournment sine die
For Representatives:	\$1,500/year
1 st payment:	\$1,005 issued at the start of each regular session in January
2 nd payment:	\$ 495 issued in the month following adjournment sine die

Notes:

1. Under IRS regulations, this allowance is considered “income” although it is not reported on the W-2 form. The State Controller’s Office will issue a Form 1099 – MISC to each legislator to reflect Constituent Services Allowance payments paid each calendar year, if the total paid is \$600 or more. It must be reported as “other income” for tax purposes in the tax year it is received. It is for expenses that a Legislator may incur in the performance of legislative business. Receipts and adequate records to support these expenses are needed for income tax return purposes.
2. Legislators who live more than 50 miles from Augusta must file IRS Form 2106 with their federal income tax return to report legislative expenses, which may offset in part the constituent services allowance and other expense payments made by the State.

At the start of the 1st Regular Session only, a Senator or Representative may request to receive the first payment in December rather than January. To do so, he or she must notify the Executive Director of the Legislative Council in writing of this choice prior to December 8th by completing and submitting the early payment request form. This form is available in the Office of the Executive Director. These payments will be directly deposited into the Legislator’s bank account. Constituent services allowances are taxed in the year in which payment is actually made.

REPORTING LEGISLATIVE INCOME AND EXPENSES

The IRS classifies Legislators into two groups for income tax purposes.

- Those who live **more than** 50 miles from Augusta may offset a portion of reimbursed expenses
- Those who live **less than** 50 miles from Augusta must declare **all** legislative salary and expense reimbursements as income, excluding reimbursement for mileage

For income tax purposes, legislative income includes:

- Legislative salary
- Per diem received for attendance at authorized committee meetings
- Expense allowances (mileage, meals, lodging)
- Constituent services allowance, taxed in the year in which it is received

IMPORTANT RECORDS

- **KEEP RECEIPTS !!!**
 - **KEEP A GOOD "JOURNAL" OR OTHER RECORD OF ALL THE MEETINGS YOU ATTEND AND EXPENSES INCURRED IN YOUR ROLE AS A LEGISLATOR.**
 - **SEE APPENDIX 1 ON RECORD KEEPING AND SUBSTANTIATION**
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LEGISLATURE-PAID BENEFITS

- **GROUP HEALTH INSURANCE AND PRESCRIPTION DRUG PROGRAM**
- **GROUP DENTAL INSURANCE**
- **MAINE LEGISLATIVE RETIREMENT SYSTEM**

GROUP HEALTH INSURANCE AND PRESCRIPTION DRUG PROGRAM

(Authorized by 5 MRSA, §285, sub-§7)

SUMMARY OF HEALTH INSURANCE PLAN

Aetna's Point-of-Service (POS) Plan is available to Legislators as well as to State and Legislative Employees. It provides the highest level of coverage when medical services are accessed through a Primary Care Physician (PCP). Each covered family member chooses a doctor from the POS Provider Directory. Your PCP manages all of your health care. Services include regular office visits, preventive care such as annual physicals, immunizations, and well-child care. No referrals are required under the plan, but some specialists may require a referral from your PCP to see you. You are responsible for any copayments, deductibles and coinsurance that may apply.

The Executive Director's Office can assist with general policy and coverage issues, or you may contact the Division of Employee Health and Benefits (1-800-422-4503 or 624-7380). Due to federal regulations concerning confidentiality of medical information under the HIPAA (Health Insurance Portability and Accountability Act), we cannot access your medical records. Therefore, specific questions about claims processing issues should be directed to Aetna (1-855-850-0039).

PREMIUMS

A. NEWLY ELECTED LEGISLATORS

Legislature Pays: 95% of premium for Legislator and 50% of premium for eligible dependents.

Legislator Pays: 5% of individual premium for Legislator and balance of dependent coverage, if dependent coverage is elected.

The rates paid by the Legislator are listed below and are effective as of July 1, 2014. Rates are subject to change.

Legislator Only:	\$ 37.51 / monthly
Legislator & Spouse/Dom Partner*:	\$ 431.52 / monthly
Legislator/Spouse/Dom Partner & Child(ren)*:	\$ 580.48 / monthly
Legislator & Child(ren):	\$ 264.02 / monthly
Split Contracts (Leg/Leg)	\$ 113.71 / monthly

B. RETURNING LEGISLATORS WHO DID NOT COMPLETE THE AETNA HEALTH ASSESSMENT BY MAY 2, 2014:

Legislature Pays: 95% of premium for Legislator and 50% of premium for eligible dependents.

Legislator Pays: 5% of individual premium for Legislator and balance of dependent coverage, if dependent coverage is elected.

The rates paid by the Legislator are listed below and are effective as of July 1, 2014. Rates are subject to change.

Legislator Only:	\$ 37.51 / monthly
Legislator & Spouse/Dom Partner*:	\$ 431.52 / monthly
Legislator/Spouse/Dom Partner & Child(ren)*:	\$ 580.48 / monthly
Legislator & Child(ren):	\$ 264.02 / monthly
Split Contracts (Leg/Leg)	\$ 113.71 / monthly

* Coverage for domestic partners may also be available to a Legislator. Please contact the Division of Employee Health & Benefits for more information.

C. RETURNING LEGISLATORS WHO COMPLETED THE AETNA HEALTH ASSESSMENT BY MAY 2, 2014:

Legislature Pays: 100% of premium for Legislator and 50% of premium for eligible dependents.

Legislator Pays: 0% of individual premium for Legislator and balance of dependent coverage, if dependent coverage is elected.

The rates paid by the Legislator are listed below and are effective as of July 1, 2014. Rates are subject to change.

Legislator Only:	\$ 0.00 / monthly
Legislator & Spouse/Dom Partner*:	\$ 392.29 / monthly
Legislator/Spouse Dom Partner & Child(ren)*:	\$ 541.25 / monthly
Legislator & Child(ren):	\$ 224.79 / monthly
Split Contracts (Leg/Leg)	\$ 74.48 / monthly

Aetna will send monthly bills to the Legislator's home address for his or her share of the individual and/or dependent coverage, as applicable. Legislators must remit payments directly to Aetna, Inc., address to submit payments will be on the invoice. If premiums are not paid when due, the insurance provider may cancel the ENTIRE policy, terminating both the Legislator's and dependents' coverage.

Pursuant to 24-A, MRSA §3957, each legislator who participates in the group health insurance program shall pay a monthly assessment of up to \$4.00 for each insured. Legislators may be direct-billed for the assessment by the insurer.

SUMMARY OF PRESCRIPTION DRUG PROGRAM

Benefits are provided for prescription drugs through Aetna's Prescription Drug Program as part of the health insurance plan. Prescriptions may be obtained for up to a 90-day supply through the Mail Order Program or at local retail pharmacies that have agreed to the mail order reimbursement arrangement. The current costs are as follows:

Retail	For 30 Day Supply: \$10 copay for formulary generic drugs, \$30 copay for formulary brand-name drugs, and \$45 copay for non-formulary brand-name and generic drugs at participating pharmacies. For 90 Day Supply: \$15 copay for formulary generic drugs, \$45 copay for formulary brand-name drugs, and \$70 copay for non-formulary brand-name and generic drugs.
Mail Order	For 30 Day Supply: \$10 copay for formulary generic drugs, \$30 copay for formulary brand-name drugs and \$45 copay for non-formulary brand-name drugs. For 90 Day Supply: \$15 copay for formulary generic drugs, \$45 copay for formulary brand-name drugs, and \$70 copay for non-formulary brand-name and generic drugs up to a 31-90 day supply from Aetna Rx Home Delivery®.

EFFECTIVE DATE OF COVERAGE

All health program enrollment forms must be returned by the close of business day on Thursday, December 4, 2014 to the Office of the Executive Director, attention: Sherry Ann Davis, Payroll and Benefits Supervisor.

Coverage for both the health insurance and the prescription drug program is effective on the first of the month following receipt of an application, provided that the enrollment application is received in the Division of Employee Health and Benefits by the following dates:

If received by 12/15/14: Insurance becomes effective on January 1, 2015
If received by 01/15/15: Insurance becomes effective on February 1, 2015

PLEASE REFER TO THE RED INFORMATIONAL PACKET FOR THE FOLLOWING INFORMATION

- Aetna Choice Point of Service (In-State Plan) Benefit Overview, effective July 1, 2014
- Directions on "How to Find a Participating Physician" on the Aetna Website: <http://www.AetnaStateofMaine.com>

GROUP DENTAL INSURANCE

SUMMARY OF DENTAL INSURANCE

Group dental insurance is available to legislators and their dependents. The Northeast Delta Dental plan is available to legislators as well as to state and legislative employees. It offers three levels of coverage, based on the level of participation of the dental provider (dentist).

State of Maine

Employees PPO: Provides maximum reimbursement for covered services provided by participating dentists. A list of participating dentists is available on the internet at: <https://www.nedelta.com/>. Directions on how to find participating dentists are located in your red information packet and in the Executive Director's Office.

Delta Dental Premier

Participating Dentist: Provides partial reimbursement for covered services; patient pays the balance.

*Non-Participating
Dentist:*

Provides a lower rate of reimbursement for covered services.

The Executive Director's Office can assist with general policy and coverage issues, or you may contact the Division of Employee Health and Benefits (1-800-422-4503 or 624-7380). However, due to federal regulations concerning confidentiality of medical information under the HIPAA (Health Insurance Portability and Accountability Act), we cannot access medical records. Therefore, specific questions about claims processing issues may be directed to Northeast Delta Dental (1-800-832-5700).

PREMIUMS

Legislature Pays: 100% of premium for Legislator coverage only

Legislator Pays: 100% of premium for dependent coverage, if dependent coverage is elected. Employee Health & Benefits will send monthly bills to the Legislator's home address for his or her dependent coverage. **Payments must be made directly to Employee Health and Benefits, 114 State House Station, Augusta, ME 04333-0114.**

The rates listed below are effective as of July 1, 2014.
Rates are subject to change.

one dependent: \$ 20.68/monthly
two or more dependents: \$ 63.56/monthly

Coverage for domestic partners may also be available to a Legislator. Please contact the Division of Employee Health & Benefits for more information.

Please Note:

If premiums are not received by Employee Health and Benefits by the deadline on the invoice, Employee Health & Benefits may cancel the ENTIRE policy, terminating both the Legislator and dependents' coverage.

EFFECTIVE DATE OF COVERAGE

All forms must be returned by Thursday, December 4, 2014 to the Office of the Executive Director, attention: Sherry Ann Davis, Payroll and Benefits Supervisor.

Coverage is effective on the first of the month following receipt of an application, provided that the enrollment application is received in the Division of Employee Health and Benefits by the following dates:

If received by 12/15/14: Insurance becomes effective on January 1, 2015
If received by 01/15/15: Insurance becomes effective on February 1, 2015

PLEASE REFER TO THE RED INFORMATIONAL PACKET FOR THE FOLLOWING INFORMATION:

- Northeast Delta Dental Summary of Coverage
 - Directions on "How to find participating dentists using the Northeast Delta Dental Website: <https://www.nedelta.com/Home>
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MAINE LEGISLATIVE RETIREMENT SYSTEM

SUMMARY OF SYSTEM

The Maine Legislative Retirement System (3 MRSA c. 29) provides a defined benefit retirement plan for Legislators similar to the retirement plans administered by the Maine Public Employees Retirement System (MPERS) for state employees, judges and teachers. The Legislative Retirement System (MLRS) is administered by the Board of Trustees of the Maine Public Employees Retirement System. Legislators' retirement benefits are determined by a formula based on length of legislative service and average compensation. Disability retirement and death benefits are also available.

The system is funded by Legislator (employee) and Legislature (employer) contributions. Legislator contributions are set by statute as a percentage of Legislator compensation. The employer contribution is determined on an actuarial basis by the Board of Trustees of the Maine Public Employees Retirement System and is expressed and paid as a percentage of each Legislator's compensation.

Generally, membership in the Maine Legislative Retirement System is mandatory for all Legislators. However, there are exceptions for Legislators who are already members of the Maine Public Employees Retirement System. Membership in the MLRS is mandatory for Legislators entering service on or after December 3, 1986. Any Legislator who was a member under the State employee and teacher retirement plan on December 2, 1986 has the option to continue to be a member under that plan instead of becoming a member under the MLRS. In addition, under very specific and limited circumstances, the President of the Senate or the Speaker of the House may, upon a Legislator's request, waive the membership requirement if the Legislator participates in social security or another retirement plan.

Questions regarding membership, contributions or benefits under the Maine Legislative Retirement System can be answered by the Office of the Executive Director of the Legislative Council (287-1615) or by the Maine Public Employees Retirement System (MPERS) (512-3100 or 1-800-451-9800).

CONTRIBUTIONS

Legislature's Contribution: Legislative Retirement
12.8% of earnable compensation

Legislator Contribution (Payroll Deduction):
7.65% of earnable compensation

For questions specific to your retirement records, you may contact the Office of the Executive Director (287-1615) or the Maine Public Employees Retirement System (512-3100 or 1-800-451-9800).

OPTIONAL LEGISLATOR-PAID BENEFITS

- **ANTHEM BLUE VIEW VISION INSURANCE**
- **MAINESAVES – VOLUNTARY RETIREMENT SAVINGS PROGRAM**
- **GROUP LIFE INSURANCE**
- **MAINE STATE CREDIT UNION**

ANTHEM BLUE VIEW VISION INSURANCE

SUMMARY OF PLAN

Anthem Blue View Vision offers limited coverage for examinations, lenses, frames and contact lenses. Anthem Blue View Vision contracts with many providers, including independent optometrists and ophthalmologists as well as retail locations; maximum benefits are achieved when members access their benefits from an Anthem Blue View Vision provider. In addition, Anthem Vision providers agree to preferred pricing that is significantly below retail. Members are also able to achieve savings on additional pair purchases, contact lenses, lens treatments, specialized lenses and various other items.

PREMIUMS

Since this is a voluntary benefit, the Legislature does not make any contributions to the payment of premiums. The Legislator pays all premiums to receive this benefit. Dependent is defined as a spouse, domestic partner or child. Anthem will send monthly bills to the Legislator's home address for his or her Legislator and dependent coverage. **Payments must be made directly to Anthem, the address will be provided on the invoice.**

The rates listed below are effective as of July 1, 2014. **Rates are subject to change.**

Legislator only	\$ 4.92 monthly
Legislator and one dependent	\$ 7.88 monthly
Family (Legislator and two or more dependents)	\$ 12.80 monthly

EFFECTIVE DATE OF COVERAGE

All forms must be returned by Thursday, December 4, 2014 to the Office of the Executive Director, attention: Sherry Ann Davis, Payroll and Benefits Supervisor.

Coverage is effective on the first of the month following receipt of an application, provided that the enrollment application is received in the Division of Employee Health and Benefits by the following dates:

If received by 12/15/14:	Insurance becomes effective January 1, 2015
If received by 01/15/15:	Insurance becomes effective February 1, 2015

Coverage for domestic partners may also be available to a Legislator. Please contact the Division of Employee Health & Benefits for more information.

PLEASE REFER TO THE RED INFORMATIONAL PACKET FOR THE FOLLOWING INFORMATION

- Anthem Blue View Vision Summary of Coverage

Specific questions can be directed to Anthem Blue View Vision at 1-866-723-0515 or by visiting the website at <http://www.maine.gov/deh>.

MaineSaves457 VOLUNTARY RETIREMENT SAVINGS PROGRAM

Legislators are eligible to participate in MaineSaves457, the State of Maine's voluntary retirement savings plan offered to state employees (Section 457 plan). MaineSaves457 is a way of putting money aside pretax deferring income taxes until after retirement. Withdrawals are limited until after you retire; please contact Employee Health & Benefits "Voluntary Benefits Coordinator" at 207-624-7380 for details.

Amounts contributed to the MaineSaves457 plan are excluded from gross earnings as reported on the IRS W-2 form for federal income taxes; they are not taxed until they are paid out. If you are currently collecting Social Security Benefits you must report this deferred amount as earnings and it could affect your Social Security check; please check with your local Social Security Administration.

The State has contracts with three FSO'S "Financial Service Organizations" for this program as follows:

Mass Mutual Retirement Services

Outside Maine: 1-800-528-9009

Valic Financial Advisors

In Maine: 207-650-0324

Outside Maine: 1-800-892-5558 ext. 88631

Voya Financial Advisors

In Maine: 622-4882 or 1-866-826-8063

You can find more on this program by going to www.MaineSaves457.com

**PLEASE REFER TO THE RED INFORMATIONAL PACKET FOR THE FOLLOWING
INFORMATION**

- MaineSaves457 Voluntary Retirement Savings Program

GROUP LIFE INSURANCE
(Authorized by 5 MRSA § 18055, sub-§ 1)

SUMMARY OF PLANS

Legislators are eligible to participate in one or more of the following group life insurance plans at their own expense:

Basic:	value of \$13,000 (average of biennial salary)
Supplemental:	up to 3 times the value of basic policy
Dependent:	(see below)

PREMIUMS

Approximately \$6.76 per month for each \$1,000 of coverage for the 2-year biennium.

DEPENDENT PLAN A @ \$0.89 per week per 52 weeks a year

DEPENDENT PLAN B @ \$1.57 per week per 52 weeks a year

Spouse	\$ 5,000	Spouse	\$10,000
Children, birth to 6 months of age	1,000	Children, birth to 6 months of age	2,500
Children, 6 months to age 19	5,000	Children, 6 months to age 19	5,000
Unmarried, full-time students to age 22	5,000	Unmarried, full-time students to age 22	5,000

The Maine Public Employees Retirement System (MPERS) administers the Group Life Insurance program and will send monthly bills to the legislator's home address for his or her legislator and dependent coverage.

MAINE STATE CREDIT UNION

Legislators are eligible to join the Maine State Credit Union located at 200 Capitol Street in Augusta. Checking accounts, savings accounts, IRA's, loans and travelers' checks are available. ATM machines are located at the Credit Union and on the first floor of the Cross Building located near the vending machines.

For additional information, contact the Credit Union directly at:

Telephone: 623-1851 or 1-800-540-8707

Website: www.mainestatecu.org

EXECUTIVE DIRECTOR'S OFFICE

- **SUMMARY OF EXECUTIVE DIRECTOR'S OFFICE FUNCTIONS**
- **ORGANIZATION CHART OF THE EXECUTIVE DIRECTOR'S OFFICE**
- **LEGISLATIVE CONFIDENTIALITY**

SUMMARY OF EXECUTIVE DIRECTOR'S OFFICE FUNCTIONS

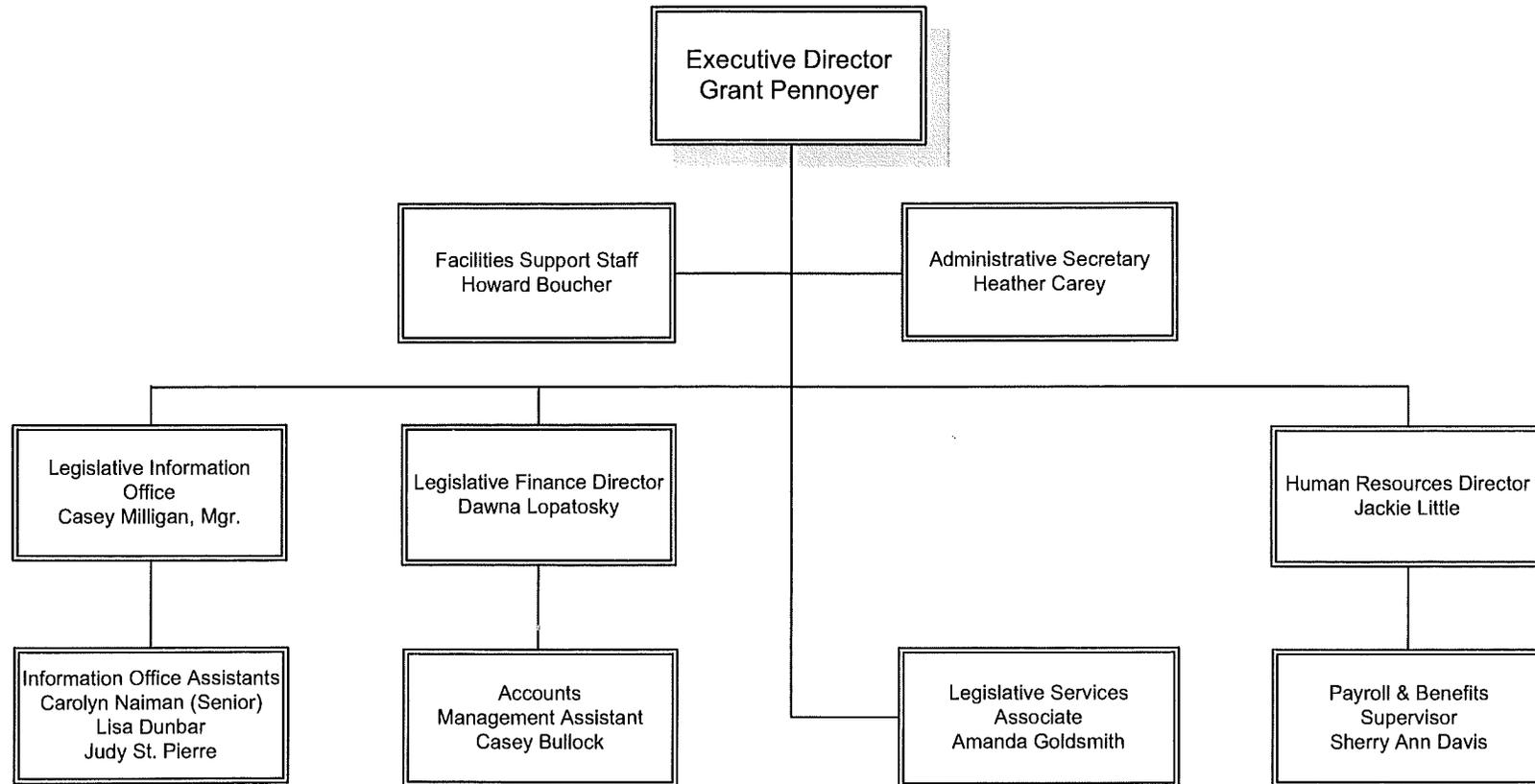
The Executive Director's Office is responsible for directing the activities of the six Legislative Council (non-partisan) staff offices; providing general administrative service to the Legislature, including human resource functions, payroll, legislator salary and expenses, budgeting and accounting functions; and providing State House facilities maintenance and improvements.

The office also provides staffing services to the Legislative Council and its committees, including agenda preparation, meeting summaries and reporting after deadline bill requests and carrying out Legislative Council policies

The Executive Director is the executive officer of the Legislature when it is not in session and works in cooperation with the Secretary of the Senate and the Clerk of the House to arrange for incoming sessions of the Legislature and other administrative duties. The director is appointed by the Legislative Council to 3-year terms and works under its direction. The Executive Director is responsible for appointing nonpartisan legislative employees and for directing and supervising the activities of the nonpartisan legislative staff office.

LEGISLATIVE COUNCIL
OFFICE OF THE EXECUTIVE DIRECTOR

October
2014



The Legislative Council has adopted policies and procedures to govern disclosure of records that are excepted from the definition of “public record” and contain oral communications. Confidentiality of documents and communications is a responsibility shared by both legislators and nonpartisan legislative employees.

LEGISLATIVE CONFIDENTIALITY

(Summary)

- Legislative documents and working papers including bill request files are excluded from provisions regarding public access to public records during the legislative session (1 MRSA §401).
- The Legislative Council has adopted policies and procedures regarding confidentiality applicable to nonpartisan employees. Breach of these policies is grounds for disciplinary action in accordance with Council policies.
- Communications between Legislators and nonpartisan staff concerning legislation and reports prepared for committees are confidential during the legislative session in which they are prepared.
- No information about an assignment will be released to another party without the explicit authorization of the appropriate Legislator; however, confidential information may be shared with another nonpartisan staff member when this is required to carry out legislative functions.
- Copies of the Legislative Council policy are available from the Office of the Executive Director.

Appendix A

RECORD KEEPING AND SUBSTANTIATION

A. General Rule

Deductions for travel, transportation, meals, and entertainment expenditures are allowed only if a taxpayer has adequate records to substantiate the amount, time, place and business purpose of the expenditure. Certain expenditure requires that the business relationship to others involved also be recorded. This general rule applies to all such expenditures whether incurred while away from home or while conducting business locally. A taxpayer that is unable to satisfy the recordkeeping tests may lose otherwise valid deduction if unable to produce adequate records upon audit.

B. Elements of Recording Expenses

1. Travel

Travel expenses are costs incurred while you are conducting business away from home and are required to remain overnight or for a period requiring sleep or rest. Travel expenses include not only the cost of travel to and from your destination, but also the cost of meals, lodging, local transportation, and commuting, as well as other ancillary costs incurred while you are away from home. The elements of travel expenses which should be recorded include:

- a. The amount spent daily for transportation, meals, lodging, and other ancillary expenses. The cost of travel by automobile may be substantiated by using the standard mileage allowance as provided by law or regulation.
- b. The dates of departure and return and the number of days spent on business.
- c. The destination or locality of travel, identified by the name of the city or town or similar description.
- d. The business purpose of the trip, or the business benefit expected to be derived from the travel.

2. Entertainment

To be deductible, entertainment expenses must be adequately documented and may not be approximated. The elements of entertainment expenses which would be recorded include:

- a. The amount of each separate meal or entertainment expense;
- b. The date the meal or entertainment took place;
- c. The name (if any), address or location, and type of meal or entertainment, such as dinner or theater, if the information is not apparent from the name of the place;
- d. The business purpose or reason for the meal or entertainment and the nature of the business discussion or activity that took place;
- e. The occupation or other information about the person or persons for whom the meal or entertainment expense is being claimed, including name, title or other designation sufficient to establish the business relationship to you; and
- f. Your presence (or your employee's presence) at a business meal or entertainment event.

3. Business Gifts

No deduction is available for business gifts to the extent that total gifts during the year exceed \$25 per person. For these purposes, gifts are counted towards the \$25 per person limitation whether made directly or indirectly. The elements of business gifts which should be recorded include:

- a. The cost and description of the gift;
- b. The date upon which the gift was made;
- c. The business reason or the benefit expected to be derived from the business gift; and
- d. The relationship of the recipient to the taxpayer, including his or her name, title or other designation sufficient to establish such a relationship.

C. Adequate Records

1. Recording Expenses

You should record your travel, meal, lodging, entertainment, and business gifts in an account book or diary at or near the time you incur the expense. Although there is no special form of account or record that must be maintained, the timely maintenance of a diary or account book is generally afforded more credibility than a record that is recreated at a much later time.

2. Substantiation

You should keep copies of receipts, paid bills and similar evidence to support your claims for deductions. It is generally not necessary to duplicate a diary entry for information contained on receipts provided that the receipt and diary complement each other in an orderly fashion. You are generally required to verify an expenditure for lodging while traveling away from home and any other expenditure for \$75 or more. (IRC Reg. 1.274-5(c)) Although expenditures of \$75 or less generally do not need to be substantiated with receipts or other support, they still must be tied in with business purpose and proved if necessary.

Cancelled checks usually do not constitute adequate documentary evidence because canceled checks do not detail the items included in the check amount. Copies of the credit card receipts and other receipts will generally be sufficient evidence to support a claimed deduction if they contain enough information to establish the amount, date, place and type of expenses.

Expenses for meals and lodging while traveling away from home can be based on the High-low method for Federal meal and housing allowance as provided by law or regulation.

3. Retention of Records

A taxpayer must retain records and related documentary evidence to support travel, entertainment and other employee business expenses for as long as the taxpayer's tax return is subject to audit. Normally, this period is three years from the date of filing the tax return on which the deduction is claimed. The statute of limitation is longer if the taxpayer consents to an extension, or if there has been a substantial omission from gross income.

Source: Excerpts from **2013 Tax Guide for Members of the Maine Legislature**,
Maine Society of Certified Public Accounts (January 2014)