

MAINE STATE LEGISLATURE

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ONE HUNDRED AND ELEVENTH LEGISLATURE
SECOND REGULAR SESSION

JOINT STANDING COMMITTEE
BILL SUMMARIES
JUNE 1984

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees of the Maine Legislature, covering the Second Regular Session of the 111th Legislature. The summaries are arranged alphabetically, and indexed separately by committee.

STATE OF MAINE
ONE HUNDRED AND ELEVENTH LEGISLATURE
SECOND REGULAR SESSION

JOINT STANDING COMMITTEE ON
STATE GOVERNMENT
BILL SUMMARY



MAY, 1984

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<u>LD</u>	<u>TITLE</u>	<u>SPONSOR</u>	(Committee Report) <u>DISPOSITION</u>
1834	AN ACT TO ALLOW THE STATE, COUNTIES AND MUNICIPALITIES TO BUY EMPLOYEE DEFERRED COMPENSATION PLANS FROM FINANCIAL INSTITUTIONS	Gwadosky	OTP-ND

SUMMARY: LD 1834 proposed to include financial institutions as providers of deferred compensation plans for public employees on all levels of government. In addition, public employees would be authorized to obtain individual retirement accounts, and simplified employee pension plans from financial institutions.

Following a comprehensive study of the issues including communications with the legal staff of the Internal Revenue Service, the Committee reported two new drafts, LD 2370 and LD 2371.

The bill arose from the request of the Town of Bucksport which sought to provide city employees with the opportunity to contribute, through payroll deductions to a pension plan offered by the Bangor Savings Bank. According to the attorneys of the Bangor Savings Bank there was no enabling law to authorize the City of Bucksport to provide this benefit.

2371	AN ACT TO CREATE ENABLING LEGISLATION FOR PAYROLL DE- DUCTIONS FOR INDIVIDUAL RE- TIREMENT ACCOUNTS AND SIMPLI- FIED EMPLOYEE PENSION PLANS AND TO MAKE NECESSARY TECHNICAL CHANGES IN THE PROVISIONS OF CURRENT DEFERRED COMPENSATION STATUTES	Gwadosky	PL 1983, C. 791
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SUMMARY: LD 2371, a report of the minority of the Committee and the 2nd report in new draft of LD 1834 proposed enabling legislation to allow the State, counties, municipalities, and other political subdivisions to offer public employees the opportunity to use payroll deductions for IRA's and SEP's

Unlike LD 2370, LD 2371 does not authorize counties and municipalities to provide public employees with deferred compensation instruments from financial institutions. The Minority perceived the insurance companies as more experienced and trained with respect to deferred compensation instruments than banks.