

MAINE STATE LEGISLATURE

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December 28, 1944

To Earle R. Hayes, Secretary, Employees Retirement System
From Frank I. Cowan, Attorney General

I have your memo of December 15th in regard to the Retirement System Fund.

Section 227-L (1) applies to all the funds created by sections 227-A to 227-T. Section 227-L (2) speaks of rate of interest and does not use either the word "fund" or the word "funds". It therefore seems to me that (2) applies to all the funds.

The language "such rate to be limited to a minimum of 3 per cent and a maximum of 4 per cent, with the latter rate applicable during the first year after the date of establishment," means to me that during the first year the State shall guarantee an interest rate of 4 per cent and thereafter shall guarantee an interest rate of 3 per cent.

In my opinion, the State is the custodian of retirement funds of municipalities. As such custodian, it owes no duty to make up an insufficiency in interest. That burden must fall on the municipality.