

MAINE STATE LEGISLATURE

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March 8, 1968

E. L. Walter, Executive Sec.

Maine State Retirement System

George C. West, Deputy

Attorney General

Chapter 229 - Private & Special Laws, Approved January 29, 1968,
Coordination of Public Higher Education

Reference is made to your letter of March 6 which asks a number of questions concerning the provisions of Private and Special Law 1967, Chapter 229, enacted at the second special session in January, 1968. The questions evolve around section 4-D relative to options for retirement benefits of personnel in the present State Colleges.

QUESTION NO. 1:

Are there three possible avenues available to these employees:
(1) to continue membership in the Maine State Retirement System,
(2) to request exit from the Maine State Retirement System, and,
(3) to exercise the vesting privilege in those instances where such may apply?

ANSWER: Yes.

REASON:

Items (1) and (2) in the above question are answered by the first sentence which reads, "All personnel heretofore employed at the state colleges shall have the option of continuing their membership, if such exists, in the Maine State Retirement System or of becoming members of the retirement system in effect at the University of Maine at the time the election is made."

Item (3) in the above question is answered by the sentence reading, "Any such employee electing to become a member of the retirement system in effect at the university who has vested rights under the Maine State Retirement System may elect, notwithstanding the foregoing provision, to leave his contributions on deposit in said system."

QUESTION NO. 2:

Would it appear to you that every employee, or at least every member of the Maine State Retirement System, must make a decision within 6 months of April 26, 1968, or no later than October 26, 1968, by electing one of the aforementioned possibilities?

ANSWER: Yes.

REASON:

The answer to this appears in the second sentence of section 4-D which reads, "Such election shall be made within 6 months after the effective date of this Act on forms and in such manner as the Board of Trustees of the University of Maine may direct."

QUESTION NO. 3:

Do you understand that the process whereby those who elect to exit from the Maine State Retirement System and authorize a transfer within 90 days of said election of the employee funds to the University of Maine constitutes a cessation of membership by that member, that is, in the same manner as would apply in the case of any separated member who obtains a refund and thereby relinquishes all rights to retirement, survivor benefits, group life insurance, or such other benefits as would be applied to a member of the Maine State Retirement System?

ANSWER: Yes.

REASON:

This question is answered by the sentence which reads, "Notwithstanding any other provisions of law, as to all such employees who elect to become members of the retirement system in effect at the university, such employees shall, within 90 days after such election, authorize the Maine State Retirement System to pay through the Treasurer of State into the retirement system in effect at the university the total of the member's contributions for said employee."

QUESTION NO. 4:

Would it not appear that all those employed who elect to remain under the Maine State Retirement System shall have all applicable deductions taken from the salaries paid by the University of Maine and which deductions shall be remitted by the University to the Maine State Retirement System, and, further, that the University of Maine shall be liable for the payment of the employer's share of the Maine State Retirement System cost?

ANSWER: Yes.

REASON:

The answer to the above question appears in the sentence which reads, "As to each such employee who elects to continue membership in the Maine State Retirement System, it shall thereafter be the responsibility of the university to provide for payment from its appropriation to the Treasurer of State of the amount which would have been the state's contribution to the retirement system for such employee had he remained in the state's service."

QUESTION NO. 5:

Do you see anything in this provision which would permit membership to be continued in the Maine State Retirement System and also permit membership in the retirement program of the University, that is, whereby any person might have concurrent membership in the two systems?

ANSWER: Yes.

REASON:

The answer given to question 1, item (3) would seem to be the reason for the answer. In other words, the individual who has a vested right in the Maine State Retirement System may retain that right and at the same time may be a member of the retirement system of the University.

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Deputy Attorney General

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