

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

**This document is from the files of the Office of
the Maine Attorney General as transferred to
the Maine State Law and Legislative Reference
Library on January 19, 2022**

March 13, 1968

E. L. Walter, Executive Secretary

Maine State Retirement System

Harry N. Starbranch, Assistant

Attorney General

Group Life Insurance for State Employees.

FACTS:

The opinion of this office has been requested with regard to three questions concerning the eligibility of State employees for Group Life Insurance authorized by Title 5, M.R.S.A. Chapter 101, subchapter VI. For the reason that the first two questions set forth in the memorandum propounding them are essentially the same, they shall be treated as one question in this opinion, and the third question set forth in the memorandum shall be treated herein as question #2.

FACTS REGARDING QUESTION #1:

The fact situation of our first question essentially deals with a State employee who terminates his employment with the State and then at a later time subsequently returns to State employment.

Title 5 M.R.S.A. § 1151, paragraph 4 states in part as follows:

"All employees eligible under the terms of this section will be automatically insured for the maximum amounts applicable thereunder, commencing on the date they first become so eligible. Any employee desiring not to be insured shall, on appropriate form, give written notice to his employing officer, that he desires not to be insured. If such notice is received before the employee shall have become insured under such policy, he shall not be so insured; if it is received after he shall have become insured, his insurance under the policy shall cease, effective with the end of the pay period during which the notice is received by the employing office. Any person who desires not to be insured may subsequently apply for insurance, but may be required to produce evidence of insurability at his own expense in accordance with the requirements of the board of trustees."

Paragraph 1 of the aforementioned section states in part:

"1. Eligibility. Except as provided herein, each appointive officer or employee of the State of Maine or teacher, who is eligible for membership in the Maine State Retirement System . . . shall at such time and under the conditions of eligibility as the board of trustees may by regulation prescribe, come within the purview of this section. . . ."

Title 5, section 1091, paragraph 1 states in part as follows:

". . . Any person who shall become an employee shall become a member of the retirement system as a condition of employment. . . Membership shall be optional in the case of any class of elected officials or any class of officials appointed for fixed terms."

QUESTION #1:

Will a State employee, such as the State employee described in the above fact situation, who was formerly employed by the State and who has been reemployed be automatically insured upon his return to State employment in the same manner in which a new employee is automatically insured?

ANSWER:

Yes.

REASON:

Although there are other classes of a specific nature that have not been accounted for in the quotations set forth in the fact situation above, it is felt that as a general principle the above quotations would substantially cover most State employees for the purposes of this opinion.

It would appear that a State employee is eligible for life insurance at such time or times that he becomes eligible for membership in the Maine State Retirement System; and that he would generally be eligible for membership in the State Retirement System upon either being initially hired or rehired at a later date. It would further

appear that the Board of Trustees may by regulation prescribe certain conditions relating to the administration of the program involved; for example, the format of the forms by which a State employee would refuse coverage or the accounting records that are to be routinely kept. No regulation of the Board of Trustees could modify a basis of eligibility that is set forth in the statute itself. Consequently, a State employee such as the one described above would be entitled to be automatically insured should he return to State service although he was previously employed by the State. Since he would be entitled to be automatically insured, it would necessarily follow that he need not prove that he is an insurable risk.

FACT SITUATION REGARDING QUESTION #2:

This fact situation deals with a State employee who is properly insured under the Group Life Insurance Program. However, through administrative error, premium deductions were not made from his salary for a considerable period of time, at the end of which a substantial billing was rendered to the employee for the premium arrearage.

QUESTION #2:

Does the Board of Trustees have the authority to forgive the arrearage in this case and to allow the employee involved to commence coverage under the program at this time?

ANSWER:

No.

REASON:

Under the fact situation outlined in Question #2, the employee was covered under the insurance plan, and he owes premiums for the entire time that he was covered. Although the error involved was not of his own making, it would not appear that the trustees have the authority to forgive his indebtedness. Consequently, he would be liable for the past premiums that had not been collected, and if he wished to have his Group Life Insurance remain in effect, he must make arrangements to pay the arrearage and commence making payments at this time.

Harry N. Starbranch
Assistant Attorney General