

MAINE STATE LEGISLATURE

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June 9, 1976

William G. Blodgett, Exec. Dir.

Maine State Retirement System

Donald G. Alexander, Deputy

Attorney General

Application and Pro-Rating of Benefits Formulas for Firemen,
Policemen, and Other Law Enforcement Officers

This is in response to your memorandum of April 13, 1976, clarified by memo of May 12, 1976, requesting an interpretation of P.L. 1975, c. 622, § 66, ¶¶ 2 and 3. Those paragraphs provide in part:

"Any part of a retirement allowance based on credible service and earnable compensation paid prior to July 1, 1976 that would be higher if determined, on a pro rata basis, under the provisions of chapter 101 in effect immediately prior to July 1, 1976 shall be so determined."

The above-cited quote, similar to others in ¶¶ 2 and 3, is taken from a new paragraph added as a result of enactment of c. 742, § 4. Chapter 742, § 4, amended c. 622, § 66, the second and third paragraphs to change dates and add a new paragraph. Basically, the intent of these amended paragraphs is to allow employees who are retiring in a transitional period during the change of computation periods current annual salary to average annual salary to receive the higher of benefits depending on appropriate alternative computation methods. The principal difficulty in interpretation of these paragraphs would be in the manner of implementation of the term "on a pro rata basis." Your memos of April 13, 1976, and May 12, 1976, describe how you propose to accomplish these pro rata computations. Our review indicates that your proposed interpretation and calculations is a reasonable interpretation of the pro rata requirement as adopted in c. 622, § 66 and as amended by c. 742, § 4. We would note that this is an area in which the Retirement System may have some discretion as long as the interpretation is reasonable. I would recommend that to confirm the interpretation you propose, the Board adopt an appropriate regulation indicating that computations to meet the pro rata requirement will be as you propose.

You should also be aware of problems which may develop after July 1, 1976, in applying this so-called grandfather clause provision to retirees of the Maine State Police. That problem is described in greater detail in the memo to P. R. Gingrow enclosed herewith.

DONALD G. ALEXANDER
Deputy Attorney General

DGA/ec

cc: John Hull

Legislative Staff