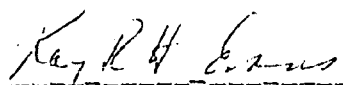


Under any of the three possibilities discussed above, a related question poses difficulty for the MSRS. The question would be whether and how to credit CETA time for the purposes of computing benefits for a CETA employee who did not move directly from a CETA position to employment covered by the MSRS, but who some time later entered covered employment and wished credit for time worked as a CETA employee. Such service would have to be purchased by payment of an amount equal to the employee and employer contributions, plus interest. The issue is who would pay for the employer's share. The employer's contributions, if any, made during CETA employment, would have been returned under the Federal regulations. Possible solutions would be to require the employee to purchase her/his CETA time by paying both the employee's and employer's share, or to require the future State or local district^{3/} employer to pay the employer's share of the purchase^{4/} or to simply make CETA time unavailable for purchase. Any such change requires at least study and certainly regulatory and possibly statutory change.

For the above reasons, in order to make an intelligent choice and because any choice requires legislative action, it is our opinion that an extension of the compliance date of 29 C.F.R. § 98.25 is necessary.



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3/ Certain entities within the State are eligible to participate in the MSRS as participating local districts. 5 M.R.S.A. § 1001(11-A). The State pays no portion of their contributions or costs.

4/ Such a regulation would seem to be undesirable as it might often make the former CETA employee a less attractive candidate to a new employer.