

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)



STATE OF MAINE
DEPARTMENT OF THE ATTORNEY GENERAL
AUGUSTA, MAINE 04333

July 19, 1978

W. G. Blodgett, Executive Director, Maine State Retirement System

Kay R. H. Evans, Assistant Attorney General

Re: Group Life Insurance under 5 M.R.S.A. § 1151(9) (A)

Your memo of March 13, 1978, presents the factual situation of a member of the Retirement System who retired but elected not to draw retirement benefits at point of retirement, delaying his application for benefits for some two years. You ask whether the retiree is entitled to continued life insurance coverage under 5 M.R.S.A. § 1151(9), which in relevant part provides that policies purchased under the group life insurance program

. . . shall contain a provision to the effect that any insurance thereunder on any employee shall cease upon his separation from the service subject to provisions which shall be contained in the policy for waiver of premiums in the event of total and permanent disability, and temporary extension of coverage and conversion to an individual policy of life insurance, except that if upon such date as the insurance would otherwise cease, the employee retires in accordance with this chapter, his life insurance only shall be continued without cost to him and in the amounts provided in paragraphs A and B.

Paragraph A of sub-§ 9 provides

On retirement for reasons other than occupational disability, the average amount of insurance in force for the last 3 years prior to retirement shall be continued in force at no cost to the State employee or teacher, provided that he has participated in the group life insurance program for a minimum of 10 years immediately prior to retirement.

It appears that in order to be entitled to continued life insurance coverage as a retired person, an employee must "upon such date as the insurance would otherwise cease . . . retire(s) in accordance with this chapter." Resolution of the question you have asked turns on the meaning of the phrase "retires in accordance with this chapter." In my opinion, the phrase is reasonably interpreted to mean retirement under conditions meeting applicable statutory and regulatory requirements. Three examples of such retirement are: retirement as a member of the Retirement System under conditions meeting applicable provisions of the Retirement Law; retirement from a position covered by Social Security, under the provisions of Chapter 103 of the Retirement Law; and retirement under the statutes providing for retirement of members of the judiciary.^{1/} In none of these programs is the actual receipt of retirement benefits a statutory or regulatory requirement. While retirement under these programs in accordance with the applicable requirements thereof constitutes entitlement to a benefit, actual receipt of a benefit depends on a retiree's application for such benefits, which is entirely voluntary for all programs.

Therefore, since receipt of a benefit is not a component of "retire(ment) in accordance with this chapter," an employee who, upon such date as her/his life insurance would otherwise cease, retires in accordance with this chapter as discussed above, is entitled to continuation of life insurance coverage as provided in 5 M.R.S.A. § 1151(9), regardless of whether or when the retiree receives retirement benefits.

Kay R. H. Evans

KAY R. H. EVANS
Assistant Attorney General

KRHE:mfe

^{1/} The State's judges are explicitly made eligible for group life insurance in 5 M.R.S.A. § 1151(1). The statutes providing for judges' retirement are 4 M.R.S.A. § 5 (Supreme Court), 103 (Superior Court) and 157-A (District Court). Members of the State Police Retirement System are also explicitly made eligible for group life insurance under 5 M.R.S.A. § 1151(1). The State Police System, 25 M.R.S.A. § 1591 et seq., applies only to persons in State Police service on July 9, 1943 who retired prior to July 1, 1974 (with one exception). Other state police are included in the Maine State Retirement System.