

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIRST LEGISLATURE

Legislative Document

No. 1283

S. P. 456

In Senate, February 12, 1963

Referred to Committee on Retirements and Pensions. Sent down for concurrence and ordered printed.

CHESTER T. WINSLOW, Secretary

Presented by Senator Brooks of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-THREE

AN ACT Providing for Tax Sheltered Annuities for Employees of School Administrative Units.

Be it enacted by the People of the State of Maine, as follows:

R. S., c. 41, § 75-A, additional. Chapter 41 of the Revised Statutes is amended by adding a new section 75-A, to read as follows:

‘Annuities for Employees.

Sec. 75-A. Annuities for employees. In order to extend to the employees of the school administrative units of the State of Maine the benefits of tax sheltered annuities available under the Internal Revenue Code, it is declared to be the policy of the Legislature that:

I. Annuity. Any school administrative unit may make contracts with any insurance company authorized to contract business within the State to grant an annuity for the pensioning of any individual employee of such unit and for such purposes may agree to pay part or all of the premiums or charges for carrying such contracts, raise money by taxation therefor and appropriate out of its treasury money necessary to pay such premiums or charges or portions thereof.

II. Premium as part of salary. Any money paid by a school administrative unit as a premium for an annuity contract for the benefit of an employee shall, for purposes of minimum salaries for teachers, provided for in section 237-A, be considered part of such employee's salary.

III. Group life insurance. Any money paid by a school administrative unit as a premium for an annuity contract for the benefit of an employee shall, for

the purposes of the maximum amount of group life insurance authorized by chapter 63-A, section 24, be considered part of said employee's annual compensation.

IV. Retirement. Any money paid by a school administrative unit under an annuity contract for the benefit of an employee shall, for the purposes of the "Maine State Retirement System" authorized by chapter 63-A, be considered part of employees earnable compensation.

V. Subsidy. Any money paid by a school administrative unit under an annuity contract for the benefit of an employee shall, for the purposes of the foundation program for subsidy provided for in section 237, be considered an educational cost.

It is further deemed that it is the intent of the Legislature that employees of school administrative units of the State of Maine shall be extended the opportunity to share in the benefits of tax sheltered annuities and all laws and regulations of the State of Maine shall be construed liberally to enable such employees to come within the Internal Revenue Code, section 403 (b) without loss to themselves, or to the school administrative district to which they belong, of any benefits, subsidies or opportunities therefor that they might otherwise be entitled to under the laws of the State of Maine.'