

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SECOND LEGISLATURE

Legislative Document

No. 1220

S. P. 396

In Senate, February 17, 1965

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

EDWIN H. PERT, Secretary

Presented by Senator Chisholm of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-FIVE

**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 :

Sec. 1. R. S., T. 5, § 1001, sub-§ 9, amended. Subsection 9 of section 1001 of Title 5 of the Revised Statutes is amended by adding at the end, a new sentence, as follows :

‘Any money paid by a school administrative unit under an annuity contract for the benefit of an employee shall be considered part of the employee’s earnable compensation.’

Sec. 2. R. S., T. 5, § 1151, sub-§ 2, amended. Subsection 2 of section 1151 of Title 5 of the Revised Statutes is amended by adding at the end, a new paragraph, to read as follows :

‘Any money paid by a school administrative unit as a premium for an annuity contract for the benefit of an employee shall be considered part of said employee’s annual compensation.’

Sec. 3. R. S., T. 20, § 1901, amended. Section 1901 of Title 20 of the Revised Statutes is amended by adding at the end, a new paragraph, as follows :

‘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, be considered part of such employee’s salary.’

Sec. 4. R. S., T. 20, § 3721, sub-2, amended. The first paragraph of subsection 2 of section 3721 of Title 20 of the Revised Statutes is amended to read as follows :

'The cost of the foundation program shall include expenditures for teachers' salaries and board, **including any money paid by a school administrative unit under an annuity contract for the benefit of an employee**, conveyance of pupils, school bus purchases, fuel, janitors' services, tuition, board of pupils, textbooks, reference books, school supplies for desk or laboratory use, public utility services, flags, replacement of instructional equipment, fire insurance, compensation for superintendent and his assistants, school committee, community school committee or school directors, office, attendance officers and medical inspection;'

Sec. 5. R. S., T. 24, c. 13, sub-c. IV, additional. Chapter 13 of Title 24 of the Revised Statutes is amended by adding a new subchapter IV, to read as follows:

'SUBCHAPTER IV

TAX SHELTERED ANNUITIES FOR EMPLOYEES OF SCHOOL ADMINISTRATIVE UNITS

§ 1806. 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 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.

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 unit 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.'