

MAINE STATE LEGISLATURE

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ONE HUNDRED AND THIRD LEGISLATURE

Legislative Document

No. 1653

H. P. 1156

House of Representatives, May 11, 1967

Reported by Mr. Carrier from Committee on Retirements and Pensions. Printed under Joint Rules No. 18.

BERTHA W. JOHNSON, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-SEVEN

AN ACT Improving Payment of Benefits Under the Maine State Retirement System Law.

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

Sec. 1. R. S., T. 5, § 1095, amended. The first sentence of the first paragraph of section 1095 of Title 5 of the Revised Statutes is amended to read as follows:

Each member shall, after July 1, 1955, make a 5% contribution for all service rendered through June 30, 1967, and for service rendered from July 1, 1967, make a contribution of 5.835% of earnable compensation to the retirement system as long as he is employed, any excess of contributions that have ever been made shall be used to increase the retirement allowance or may be refunded at point of retirement.

Sec. 2. R. S., T. 5, § 1121, sub-§ 2, ¶ A, amended. The first paragraph of paragraph A of subsection 2 of section 1121 of Title 5 of the Revised Statutes is amended to read as follows:

The total amount of the service retirement allowance of a member retired in accordance with subsection 1 shall be equal to the sum of subparagraphs (1) and (2) and (3), subject to paragraphs B and C and subsection 4:

Sec. 3. R. S., T. 5, § 1121, sub-§ 2, ¶ A, sub-¶ (3), additional. Paragraph A of subsection 2 of section 1121 of Title 5 of the Revised Statutes is amended by adding a new subparagraph (3), to read as follows:

(3) Subparagraphs (1) and (2) shall be used as the basis for the computations for any service through June 30, 1967; thereafter, all membership service

shall be computed at the rate of $\frac{1}{60}$ of average final compensation multiplied by the number of years of membership service rendered after July 1, 1967.

Sec. 4. R. S., T. 5, § 1121, sub-§ 2, ¶ A, sub-¶ (4), additional. Paragraph A of subsection 2 of section 1121 of Title 5 of the Revised Statutes is amended by adding a new subparagraph (4), to read as follows:

(4) Any political subdivision or entity delineated in section 1092 which becomes a participating local district subsequent to the effective date of this Act shall be permitted to retain the formula for computing membership service benefits at the rate of $\frac{1}{70}$ of average final compensation beyond the date of July 1, 1967.

If the district does elect to retain the $\frac{1}{70}$ computation formula, the employees of said district shall not be required to make contributions at a percentage rate greater than 5%.

Sec. 5. R. S., T. 5, § 1121, sub-§ 3, amended. Subsection 3 of section 1121 of Title 5 of the Revised Statutes is amended to read as follows:

3. **Creditable service of 25 years.** Any member who has completed ~~30~~ 25 or more years of creditable service may retire any time prior to the attainment of age 60 and receive a service retirement allowance upon written application to the board of trustees setting forth at what time he desires to be retired. The retirement allowance shall be determined in accordance with subsection 2, paragraph A, but shall be at a reduced amount determined by applying to the retirement allowance the percentage that a life annuity due at age 60 bears to the life annuity due at the age of retirement, subject to subsection 4. For this purpose the tables of annuities as approved by the board of trustees at the date of retirement shall be used.

Sec. 6. R. S., T. 5, § 1122, sub-§ 1, ¶ B, amended. The 2nd sentence from the end of paragraph B of subsection 1 of section 1122 of Title 5 of the Revised Statutes is amended to read as follows:

An amount equal to 90% of $\frac{1}{70}$ of his average final compensation for membership service through June 30, 1967, multiplied by the number of years of his said creditable service through to that date, plus an amount equal to 90% of $\frac{1}{60}$ of average compensation for membership service rendered from July 1, 1967, multiplied by the number of years of membership service thereafter from that date, if such retirement allowance exceeds 25% of his average final compensation; otherwise an amount equal to 25% of his average final compensation, provided such allowance shall not exceed 90% of $\frac{1}{70}$ of his average final compensation for service rendered through June 30, 1967, plus an amount equal to 90% of $\frac{1}{60}$ of his average compensation for service rendered after July 1, 1967, multiplied by the number of years of service rendered after July 1, 1967, which would be creditable to him were his creditable service to include the period from the time of retirement to the attainment of age 60.

Sec. 7. Appropriation. There is appropriated from the General Fund to the Maine State Retirement System the sum of \$563,290 for the fiscal year ending June 30, 1968 and \$563,290 for the fiscal year ending June 30, 1969 to carry out the purposes of this Act.

Sec. 8. Utilization of other funds. Departments supported by the Highway Fund, Special Revenue Funds or other special funds shall not utilize General Fund moneys, but shall provide the necessary moneys from other sources. Pro-rated, the annual cost to these departments for the 1967 - 1969 biennium is as follows:

Highway Fund	\$69,746
Special Revenue Funds	40,130
Bond Fund	3
Public Service Enterprises	13,088
Working Capital	8,109
Maine State Retirement System	780