

MAINE STATE LEGISLATURE

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(EMERGENCY)

ONE HUNDRED AND FOURTH LEGISLATURE

Legislative Document

No. 992

S. P. 299

In Senate, February 25, 1969

Referred to Committee on Retirements and Pensions. Sent down for concurrence and 1,000 ordered printed.

JERROLD B. SPEERS, Secretary

Presented by Senator Boisvert of Androscoggin.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-NINE

AN ACT Revising the Maine State Retirement Law.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the said 90-day period will not terminate until after the beginning of the next fiscal year; and

Whereas, retirement benefits need to be increased and increases should be effective at a date coincident with pay adjustments; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the presentation of the public peace, health and safety; now, therefore,

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

Sec. 1. R. S., T. 5, § 1001, sub-§ 3, amended. Subsection 3 of section 1001 of Title 5 of the Revised Statutes is amended to read as follows:

3. Average final compensation. "Average final compensation" shall mean the average annual rate of earnable compensation of a member during the ~~5~~ 3 years of creditable service as an employee in Maine, not necessarily consecutive, in which such average annual rate of earnable compensation is highest, or during his entire period of creditable service if such period is less than ~~5~~ 3 years.

Sec. 2. R. S., T. 5, § 1033, sub-§§ 3 - 4, additional. Section 1033 of Title 5 of the Revised Statutes is amended by adding the following new subsections:

3. Local district to certify. Any participating local district which is included under the retirement system shall be subject to all the provisions of this chapter unless it files with the board of trustees on or before July 1, 1971 a duly certified copy of the vote of the county commissioners or of the city council or such corresponding body or a record of the vote of the town voters certified by the clerk of the town meeting, setting forth in such action those provisions of this chapter which are not to be accepted by the district in question, except any local participating district may elect to retain any or all of those provisions of the retirement law said district accepted at the time of the original agreement and including any changes subsequently accepted or selected by the district. Any participating local district shall be entitled to a revaluation in order to determine the cost of any provisions which may be adopted and the expense of such revaluation shall be assessed to and paid by the participating local district.

4. Registered mail. The executive secretary of the retirement system shall cause to be mailed by registered mail a written notice to each participating local district, setting forth the changes as provided by this Act.

Sec. 3. R. S., T. 5, § 1094, sub-§ 13, amended. The 3rd sentence of subsection 13 of section 1094 of Title 5 of the Revised Statutes, as enacted by chapter 497 of the public laws of 1965, is amended to read as follows:

The member shall contribute to the retirement system for each year of military service claimed ~~5% of that percentage of contribution required of active members during the period of time covered by said military service~~ applied to the earnable compensation paid such member during the first year of state employment subsequent to service in the Armed Forces. The retirement allowance shall be computed on the basis of the formula that was in effect during the period of time covered by said military service. In the event 2 or more percentages of contribution and retirement allowance were in effect during the period of military service, the greatest percentage of contribution and greatest retirement allowance shall govern.

Sec. 4. R. S., T. 5, § 1095, amended. The first sentence 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 of earnable compensation to the retirement system for all service rendered prior to January 1, 1970, and shall make a 6¼% contribution of earnable compensation to the retirement system for all service rendered on or after January 1, 1970, and which shall continue 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. 5. R. S., T. 5, § 1121, sub-§ 2, ¶A, amended. Paragraph A of subsection 2 of section 1121 of Title 5 of the Revised Statutes is amended to read as follows:

A. The total amount of the service retirement allowance of a member retired in accordance with subsection 1 shall be equal to the sum of sub-

paragraphs (1), (1-A) and (2), subject to paragraphs B and C and subsection 4:

(1) $1/70$ of his average final compensation multiplied by the number of years of his membership service rendered prior to July 1, 1969, and

(1-A) $1/60$ of his average final compensation multiplied by the number of years of his membership service rendered on or after July 1, 1969, and

(2) If he has a prior service certificate in full force and effect, $1/50$ of his average final compensation multiplied by the number of years, not to exceed 25, of his prior service or, if the member was formerly subject to the Revised Statutes of 1944, chapter 37, sections 212 to 241, $1/70$ of his average final compensation multiplied by the number of years of his prior service, and

(3) Any member who has 10 or more years of creditable service at retirement shall be entitled to a minimum of \$80 per month, further any former state employee or teacher who had 10 or more years of creditable service and who is receiving a retirement allowance including such adjustments as have been provided by section 1128, which is less than \$80 per month, shall be increased to \$80 per month as of the first day of the month following the effective date of this subsection.

Sec. 6. R. S., T. 5, § 1122, sub-§ 1, ¶ B, amended. Paragraph B of subsection 1 of section 1122 of Title 5 of the Revised Statutes is amended to read as follows:

B. Upon retirement in accordance with paragraph A a member shall receive a retirement allowance determined as follows, or, if eligible, a service retirement allowance determined in accordance with section 1121, if greater:

An amount equal to 90% of $1/70$ of his average final compensation multiplied by the number of years of his creditable service rendered prior to July 1, 1969, plus an amount equal to 90% of $1/60$ of his average final compensation multiplied by the number of years of his creditable service rendered on or after July 1, 1969, 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 $1/70$ of his average final compensation multiplied by the number of years rendered prior to July 1, 1969, plus an amount equal to 90% of $1/60$ of his average final compensation multiplied by the number of years of his creditable service rendered on or after July 1, 1969, 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. At the death of the member after retirement the excess, if any, of his accumulated contributions at the time of his retirement over the portion of the total retirement allowance payments, actually made to him during his lifetime, which is the actuarial equivalent of such accumulated contributions, shall be paid in a lump sum to such person, if any, as he has nominated by written designation duly acknowledged and filed with the board of trustees, otherwise his estate.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

STATEMENT OF FACTS

Moneys from the General Fund of \$582,424 in 1969-70 and \$585,422 in 1970-71 are included in the supplemental budget to carry out the purposes of this Act. Funds for the \$80 minimum would be borne by the State and would not increase the employee's contribution.