

# MAINE STATE LEGISLATURE

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# ONE HUNDRED AND FOURTH LEGISLATURE

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Legislative Document

No. 994

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S. P. 301

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.

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## STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SIXTY-NINE

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

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

**Sec. 1. 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. 2. 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, 1969; thereafter all membership service shall be computed at the rate of 1/50 of his average final compensation multiplied by the number of years of membership service subsequent to June 30, 1969.

**Sec. 3. R. S., T. 5, § 1122, sub-§ 1, ¶ B, amended.** The 2nd sentence of paragraph B of subsection 1 of section 1122 of Title 5 of the Revised Statutes is repealed and the following enacted in place thereof:

An amount equal to 90% of 1/70 of his average final compensation for service rendered through June 30, 1969 multiplied by the number of years of said creditable service, plus an amount equal to 90% of 1/50 of his average final

compensation for service rendered after June 30, 1969 multiplied by the number of years of creditable service subsequent to 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  $1/70$  of his average final compensation for service rendered through June 30, 1969 and 90% of  $1/50$  of his average final compensation for service rendered subsequent to that date, multiplied by the number of years 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. 4. Appropriation.** There is appropriated from the General Fund to the Maine State Retirement System the sum of \$2,000,000 to carry out the purposes of this Act. The breakdown shall be as follows:

	1969-70	1970-71
MAINE STATE RETIREMENT SYSTEM	\$750,000	\$1,250,000

#### STATEMENT OF FACTS

This Act would make it possible for employees and teachers, hired after the effective date of the Act, to retire after 25 years of service. Benefits would amount to  $1/2$  of average final compensation, the 5 years of highest salary, with an actuarial reduction for those under 60 years of age.

Benefits of employees and teachers, presently employed would be computed as follows:

For service prior to July 1, 1942 —  $1/50$ th of average final compensation, for service after July 1, 1942, and prior to the effective date of this Act —  $1/70$ th of average final compensation, and after the effective date of this Act —  $1/50$ th of average final compensation.

The appropriation for the years 1969-70 will be \$750,000 and for the years 1970-71, \$1,250,000.