

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

Legislative Document

No. 128

H. P. 88

House of Representatives, January 7, 1971

Referred to Committee on Veterans and Retirement. Sent up for concurrence and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mrs. Lincoln of Bethel.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-ONE

AN ACT to Clarify and Revise the Maine State Retirement Law.

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

Sec. 1. R. S., T. 5, § 1001, sub-§§ 2-A and 10-A, additional. Section 1001 of Title 5 of the Revised Statutes, as amended, is further amended by adding 2 new subsections to read as follows:

2-A. Actuary. "Actuary" shall mean an individual or a partnership or corporation of actuaries.

10-A. Fiduciary. "Fiduciary" shall mean either a bank or professional investment management.

Sec. 2. R. S., T. 5, § 1031, sub-§ 1, amended. The 3rd sentence of subsection 1 of section 1031 of Title 5 of the Revised Statutes, as repealed and replaced by section 1 of chapter 59 of the public laws of 1967, is amended to read as follows:

Administrative duties shall be vested in the executive ~~secretary~~ director appointed under subsection 6.

Sec. 3. R. S., T. 5, § 1031, sub-§§ 2 and 6, amended. Subsections 2 and 6 of section 1031 of Title 5 of the Revised Statutes, as amended, are further amended to read as follows:

2. Expenses. The trustees ~~shall serve without compensation but they~~ shall be reimbursed from the funds of the retirement system for all necessary expenses that they may incur through service on the board of trustees ~~except that those trustees appointed by the Governor, or those who are not on administrative leave~~ and shall be entitled to a payment of \$35 per diem in addi-

tion to expenses when engaged in the performance of authorized retirement system duties.

6. Chairman; executive director; employees. The board of trustees shall elect from its membership a chairman and shall appoint an executive ~~secretary~~ **director** who shall engage such services as shall be required to transact the business of the retirement system. All such employees shall be considered as employees of the State and subject to all the provisions of state law regarding state employees and shall be employed under the rules and regulations established by the Personnel Board and shall receive such compensation as is provided by the rules and regulations of the Personnel Board for state employees in similar capacities. The necessary expenses incurred by the board and executive ~~secretary~~ **director** in the operation of the retirement system shall be paid from the funds so allocated. The board of trustees shall set the salary of the executive ~~secretary~~ **director**.

Sec. 4. R. S., T. 5, § 1031, sub-§ 7, amended. Subsection 7 of section 1031 of Title 5 of the Revised Statutes, is amended to read as follows:

7. Data. The executive ~~secretary~~ **director** shall keep in convenient form such data as shall be necessary for actuarial valuation of the various funds of the retirement system and for checking the experience of the system.

Sec. 5. R. S., T. 5, § 1031, sub-§ 8, amended. The 3rd sentence of subsection 8 of section 1031 of Title 5 of the Revised Statutes is amended to read as follows:

Whenever the board of trustees shall find it impossible or impracticable to consult an original record to determine the date of birth, length of service, amount of regular compensation or other pertinent fact with regard to any member, it may, subject to the approval of the executive ~~secretary~~ **director** and actuary, use estimates thereof on any basis which in its judgment is fair and just.

Sec. 6. R. S., T. 5, § 1031, sub-§ 15, amended. The first paragraph of subsection 15 of section 1031 of Title 5 of the Revised Statutes, as repealed and replaced by section 4 of chapter 59 of the public laws of 1967, is amended to read as follows:

The board of trustees shall employ a ~~bank~~ **fiduciary or fiduciaries** located in New England or New York City **for investment purposes** and may employ other investment counsel or advice and other expert professional or other assistance as may be necessary or appropriate to aid in carrying out its functions.

Sec. 7. R. S., T. 5, § 1031, sub-§ 16, amended. The 3rd paragraph of subsection 16 of section 1031 of Title 5 of the Revised Statutes, as repealed and replaced by section 5 of chapter 59 of the public laws of 1967, is amended to read as follows:

The executive ~~secretary~~ **director**, or such other person or persons as may be designated to the custodian by the board of trustees, shall be empowered to withdraw or deposit securities from or with the custodian as circumstances

may require except that all withdrawals or delivery instructions shall bear the written approval of 2 other persons duly authorized by a resolution of the board of trustees.

Sec. 8. R. S., T. 5, § 1032, amended. The first paragraph of section 1032 of Title 5 of the Revised Statutes is amended by adding a new sentence at the end to read as follows:

The board of trustees shall make the final and determining decision on all matters pertaining to administration, actuarial recommendations, the reserves and the investments of the system.

Sec. 9. R. S., T. 5, § 1033, sub-§ 2, amended. The first sentence of subsection 2 of section 1033 of Title 5 of the Revised Statutes is amended to read as follows:

The executive ~~secretary~~ director of the retirement system shall, immediately following August 20, 1955, cause to be mailed by registered mail a written notice to each participating local district which was in the system as of July 1, 1955 setting forth the provisions of subsection 1.

Sec. 10. R. S., T. 5, § 1033, sub-§ 4, amended. Subsection 4 of section 1033 of Title 5 of the Revised Statutes, as enacted by section 2 of chapter 415 of the public laws of 1969, is amended to read as follows:

4. Registered mail. The executive ~~secretary~~ director 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 chapter.

Sec. 11. R. S., T. 5, § 1062, sub-§ 2, ¶ C, amended. The first paragraph of paragraph C of subsection 2 of section 1062 of Title 5 of the Revised Statutes, as amended by section 7 of chapter 59 of the public laws of 1967, is further amended to read as follows:

Subject to the approval of the executive ~~secretary~~ director, in addition to the contributions deducted from compensation as provided, any member may deposit in the Members' Contribution Fund by a single payment or by an increased rate of contribution an amount computed to be sufficient to purchase an additional amount of retirement allowance which, together with his prospective retirement allowance, will provide for him a total retirement allowance not in excess of $\frac{1}{2}$ of his average final compensation, at any eligible age.

Sec. 12. R. S., T. 5, § 1062, sub-§ 2, ¶ F, amended. Paragraph F of subsection 2 of section 1062 of Title 5 of the Revised Statutes, is amended to read as follows:

F. The executive ~~secretary~~ director of the retirement system ~~on or after July 1st of each year~~ will furnish to each member of the system ~~in service on July 1st of such year~~, upon request, a statement showing the amount of accumulated contributions to the member's credit in his individual account in the Members' Contribution Fund.

STATEMENT OF FACT

The purpose of this bill is to clarify and revise inconsistencies and ambiguities in the Maine Retirement Laws.