

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

Legislative Document

No. 704

S. P. 243

In Senate, February 10, 1971

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

HARRY N. STARBRANCH, Secretary

Presented by Senator Wyman of Washington.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-ONE

AN ACT Relating to Disability Retirement and Retirement Allowances
under State Retirement System.

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

Sec. 1. R. S., T. 5, § 1122, sub-§ 1, ¶ B, amended. Paragraph B of subsection 1 of section 1122 of Title 5 of the Revised Statutes, as amended by sections 7 and 8 of chapter 415 of the public laws of 1969, is further amended by adding at the end the following new paragraphs:

Except that any member, whose application for a disability retirement allowance is approved and who has 25 or more years of creditable service and who has not attained age 60, shall be entitled to a disability retirement allowance, the computation for which shall be 90% of 1/60 of his average final compensation 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. If the member has 30 or more years of creditable service and is retired for reasons of disability prior to the attainment of age 60 under a service retirement allowance determined in accordance with section 1121, such retirement allowance shall not be subject to the reduction prescribed by section 1121, subsection 3 for service retirement prior to the attainment of age 60, provided that the member prior to retirement undergo the medical examination required for approval of retirement for ordinary disability under paragraph A, and, subsequently until attainment of age 60, undergo the periodic medical examinations required of persons retired for disability under subsection 3.

Any recipient of a disability retirement allowance at the effective date of this Act shall be entitled to a review and a recomputation of benefits and

if this amount is greater than that being paid then an adjustment shall be made, without retroactivity, and shall become effective on the first day of the next following month.

Sec. 2. Appropriation. There is appropriated from the General Fund the sum of \$69,350 to carry out the purposes of this Act. The breakdown shall be as follows:

	1971-72	1972-73
EDUCATION, DEPARTMENT OF		
Teachers' Retirement		
Retirement Allowance Fund		
Unallocated	\$27,025	\$27,025
MAINE STATE RETIREMENT SYSTEM		
Retirement Allowance Fund		
Unallocated	7,650	7,650
	\$34,675	\$34,675

STATEMENT OF FACT

The purpose of this bill is to improve the disability retirement provisions of the existing law as they affect state employees and public school teachers with long periods of service — 25 years and over — who, because of physical disability, are obliged to retire before attaining eligibility for a service retirement allowance or who, after completing 30 or more years of service prior to attainment of age 60, are eligible for a service retirement allowance but are subject to the same heavy discount for retirement prior to age 60 as employees in good health voluntarily retiring to accept other employment, to enjoy leisure or to satisfy other personal objectives.

By comparison with financial benefits, including group life insurance payments, available to the survivors of an employee who dies after as little as 18 months of service, disability retirement allowances under present law force the conclusion that, insofar as family financial circumstances are concerned, the family of a disabled employee would be better off were he dead rather than totally disabled. This is an intolerable situation in terms of public policy and humanitarian considerations which this bill, at very moderate cost, would remedy to a considerable degree.

The incidence of total disability is not large. Because its prospects are considered remote by the average person, little attention has been directed to the disability provisions. To the employee unfortunate enough to be afflicted with a physical condition requiring disability retirement at a premature age, the provisions of the disability retirement law are of critical importance in providing financial support for his family.

In addition to the General Fund appropriation there will be needed from other funds \$10,367 for each year of the next biennium.