

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

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Legislative Document

No. 720

H. P. 548

House of Representatives, February 9, 1971

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

BERTHA W. JOHNSON, Clerk

Presented by Mr. Lewin of Augusta, by request.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-ONE

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**AN ACT Changing the Formula for Retirement under the State Retirement System.**

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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, sub-¶ (1), amended.** Subparagraph (1) of paragraph A of subsection 2 of section 1121 of Title 5 of the Revised Statutes, as amended by section 5 of chapter 415 of the public laws of 1969, is further amended to read as follows:

(1) ~~1/60~~ 1/50 of his average final compensation multiplied by the number of years of his membership service, and

**Sec. 2. R. S., T. 5, § 1122, sub-§ 1, ¶ B, amended.** The first sentence of paragraph B of subsection 1 of section 1122 of Title 5 of the Revised Statutes, as amended by section 7 of chapter 415 of the public laws of 1969, is further amended to read as follows:

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 ~~1/60~~ 1/50 of his average final compensation multiplied by the number of years of his creditable service, 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 ~~1/60~~ 1/50 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.

**Sec. 3. Appropriation.** There is appropriated from the General Fund to the Maine State Retirement System the sum of \$5,500,000 for the fiscal year ending June 30, 1972, and \$5,500,000 for the fiscal year ending June 30, 1973 to carry out the purposes of this Act.

#### STATEMENT OF FACT

This bill would make it possible for employees and teachers to retire after 25 years of creditable service with benefits amounting to  $\frac{1}{2}$  of average final compensation for the 3 years of highest salary with an actuarial reduction for those under 60 years of age.