

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

Legislative Document

No. 1122

H. P. 831

House of Representatives, February 24, 1971

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

BERTHA W. JOHNSON, Clerk

Presented by Mr. Hayes of Windsor.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-ONE

**AN ACT Relating to Back Contributions for Creditable Service Under
State Retirement System.**

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

Sec. 1. R. S., T. 5, § 1094, sub-§ 8, amended. Subsection 8 of section 1094 of Title 5 of the Revised Statutes is amended to read as follows:

8. Back contributions from July 1, 1942. Any member for whom the date of establishment of the retirement system is July 1, 1942 may, if he so elects, pay into the Members' Contribution Fund ~~any or~~ all back contributions covering ~~any or~~ all of the period from July 1, 1942 to the date when such member first began to make contributions to the retirement system, and receive therefor the proper membership credit for the period for which such back contributions are made.

Sec. 2. R. S., T. 5, § 1094, sub-§ 9, amended. The first sentence of subsection 9 of section 1094 of Title 5 of the Revised Statutes is amended to read as follows:

Any member who was an employee on July 1, 1947 but became a member as of a date thereafter, may, if he so elects, pay into the Members' Contribution Fund **for all** back contributions for the period from the date of establishment of the retirement system so far as he is concerned to the date he became a member and receive the proper service credits.

STATEMENT OF FACT

This bill requires a member to pay all back contributions to receive credit for service. This is required of active members at present, and would preclude

former employees, who had withdrawn contributions, from paying for very limited periods of service, such as one day, to establish prior service credits and become eligible for a retirement allowance. Prior to the establishment of the \$80 per month retirement allowance for 10 years of service, failure to pay all back contributions would result in a reduced retirement allowance, however, after its establishment a former employee could request to pay back contributions covering as short a period as one day. This could establish so-called prior service, for which there is no cost, and allow a person to become eligible for the minimum retirement allowance.