

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1682

H. P. 1296

House of Representatives, March 29, 1973

Referred to Committee on State Government. Sent up for concurrence and ordered printed.

E. LOUISE LINCOLN, Clerk

Presented by Mr. Pratt of Parsonsfield.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT to Permit Public Employees to Enter into a Deferred Compensation Plan and Authorize the Purchase of Insurance and Annuity Contracts.

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

R. S., T. 5, c. 67, additional. Title 5 of the Revised Statutes is amended by adding a new chapter 67 to read as follows:

CHAPTER 67

DEFERRED COMPENSATION PLAN

§ 881. Deferred compensation plan

The State or any county, city, town or other political subdivision may, by contract, agree with any employee to defer, in whole or in part, any portion of that employee's compensation and subsequently, with the consent of the employee, contract for, purchase or otherwise procure a fixed or variable life insurance or annuity contract for the purpose of funding a deferred compensation program for the employee from an insurance company licensed to contract business in this State.

§ 882. —authorization

The director or the principal officer of each state agency, department, board, commission or institution is authorized to enter into such contractual agreements with employees of that particular state agency, department, board, commission or institution on behalf of the State to defer any portion of that employee's compensation.

§ 883. —administration

The administration of the deferred compensation program within state agencies, departments, boards, commissions or institutions shall be under the direction of the Department of Finance and Administration or director or principal officer of that particular agency, department, board, commission or institution. Each county, city, town or other political subdivision shall designate an officer to administer the deferred compensation program. Payroll deductions shall be made in each instance by appropriate payroll officer.

§ 884. Definition

For the purposes of this chapter, "employee" means any person whether appointed, elected or under contract, providing services for the State, county, city, town or other political subdivision, for which compensation is paid.

§ 885. Payment of premiums

Notwithstanding any other provision of law to the contrary, those persons designated to administer the deferred compensation program are authorized to make payment of premiums for the purchase of fixed or variable life insurance or annuity contracts under the deferred compensation program. Such payments shall not be construed to be a prohibited use of the general assets of the State, county, city or other political subdivision.

§ 886. Application

The deferred compensation program established by this chapter shall exist and serve in addition to retirement, pension or benefit systems established by the State, county, city, town or other political subdivision, and no deferral of income under the deferred compensation program shall affect a reduction of any retirement, pension or other benefit provided by law. However, any sum deferred under the deferred compensation program shall not be subject to federal or state income taxation until distribution is actually made to the employee.

§ 887. Liability limited

The financial liability of the State, county, city, town or other political subdivision under a deferred compensation program shall be limited in each instance to the value of the particular fixed or variable life insurance or annuity contract or contracts purchased on behalf of any employee.

STATEMENT OF FACT

The purpose of this bill is reflected in the title.