

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1843

H. P. 1401

House of Representatives, April 5, 1973

Speaker laid before the House and on Motion of Mr. Brown of Augusta referred to the Committee on Labor. Sent up for concurrence and ordered printed.

E. LOUISE LINCOLN, Clerk

Presented by Mr. Emery of Rockland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT Providing for Protection of Employee Pension Contributions.

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

R. S., T. 26, c. 21, additional. Title 26 of the Revised Statutes is amended by adding a new chapter 21 to read as follows:

CHAPTER 21

PENSION CONTRIBUTIONS

§ 1451. Definitions

As used in sections 1451 to 1452, unless the context otherwise indicates, the following terms shall have the following meanings.

1. Employee. "Employee" means an individual employed by an employer.
2. Employee pension benefit plan. "Employee pension benefit plan" means any plan, fund or program which is communicated in writing or its benefits described in writing to employees, and to which an employee must contribute a portion of his earnings, and which was heretofore or is hereafter established by an employer or by an employee organization, or by both, for the purpose of providing retirement benefits for its participating employees or their named beneficiaries, by the purchase of insurance or annuity contracts or otherwise. It does not include any profit-sharing plan which provides benefits at or after retirement.
3. Employer. "Employer" means any person, partnership, firm or corporation acting directly as an employer in relation to an employee pension

benefit plan and includes a group or association of employees acting for an employer in such capacity.

§ 1452. Return of accumulated contributions; vesting of rights

If any employee, who is employed by an employer engaged in business within this State or who is a member of an organization representing employees within this State, which has established or establishes and maintains an employee pension benefit plan, terminates his employment except by death or retirement, he shall be paid at anytime thereafter, upon proper application therefor, the amount of his contributions, together with accumulated regular interest thereon.

If any such employee is employed by the same such employer and has made contributions to an employee pension benefit plan for 5 years or more, whether or not he continues such employment, he shall, if he elects not to be paid his accumulated contributions, be entitled at retirement to a pension benefit in accordance with his length of employment and amount of contributions and with the schedule of benefits of said plan as otherwise established.

STATEMENT OF FACT

At the present time, a man who works for a company for a period of time less than the minimum required under that company's pension system will receive no pension benefits, although he paid into the pension plan while he was employed there.

This bill would require payment of pension benefits from any company pension plan to any person who paid into that plan. Benefits would be in proportion to the amount paid into the pension system, but in no case would benefits be less than the total paid into the system by that employee.