

MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 2435

S. P. 868

In Senate, January 23, 1974

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

HARRY N. STARBRANCH, Secretary

Presented by Senator Richardson of Cumberland, **BY REQUEST.**

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FOUR

AN ACT to Establish the First Day of a Calendar Month as a Uniform Retirement Date and to Make Retirement at Age 65 Mandatory.

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

Sec. 1. R. S., T. 5, § 1121, sub-§ 1, ¶ A, repealed and replaced. Paragraph A of subsection 1 of section 1121 of Title 5 of the Revised Statutes, as amended by section 4-A of chapter 590 of the public laws of 1969, is repealed and the following enacted in place thereof:

A. Any member who at the attainment of age 60 is in service may retire on a service retirement allowance upon written application to the board of trustees. Any member not in service may retire at age 60 or thereafter on a service retirement allowance upon written application to the board of trustees, provided he has at least 10 years of creditable service or 5 full terms as a Legislator, any part of which service must have been rendered when he was, or could have been under then existing law, a contributing member to any publicly supported contributory retirement system sponsored by the State of Maine, provided further at the effective date of the retirement allowance, his contributions are on deposit in the Members' Contribution Fund.

Sec. 2. R. S., T. 5, § 1121, sub-§ 1, ¶ B, amended. Paragraph B of subsection 1 of section 1121 of Title 5 of the Revised Statutes is amended to read as follows:

B. Any member specified in paragraph A who attains age ~~70~~ 65 shall be retired forthwith on a service retirement allowance on the first day of the

next calendar month; except that any member who is an elected official of the State or an official appointed for a term of years may remain in service until the end of the term of his office for which he was elected or appointed. Notwithstanding the foregoing, on the request of the Governor with the approval of the Council, the board of trustees may permit the continuation for periods of one year, as the result of each such request, of the service of any member who has attained the age of ~~70~~ 65 and who desires to remain in service. Requests for extension of service for employees in participating local districts shall be filed directly with the board of trustees by the proper municipal officers and such requests shall not be referred to the Governor and Council.

Sec. 3. R. S., T. 5, § 1126, amended. Section 1126 of Title 5 of the Revised Statutes is amended by inserting before the first paragraph a new paragraph to read as follows:

All retirement allowances shall become effective as of the first day of a calendar month.

STATEMENT OF FACT

This Act implements Management and Cost Survey recommendations numbers 2 and 3, Maine State Retirement System.

Making all retirement allowances effective as of the first calendar day of the month discriminates against those employees who cannot retire on such dates such as teachers or those whose employment is ended due to disability.

The lowering of the mandatory retirement age to 65 would increase the contributions required under the Retirement System through a lowering of the average retirement age of employees. It would result in a greater number of retired employees receiving allowances and a greater total of benefits being paid at any particular time.

Because of the possible fiscal consequences the Governor in his special message to the special session of the 106th Legislature recommended this proposed Act for further study.