

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 816

S. P. 238

In Senate, February 26, 1975

Referred to the Committee on Appropriations and Financial Affairs. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Curtis of Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT to Provide Social Security Benefits to State Employees.

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

Sec. 1. 5 MRSA § 1221, 1st sentence, is amended to read:

In order to extend to employees of the political subdivisions of the State of Maine, **employees of the State of Maine** and to the civilian employees of the Maine National Guard who are employed pursuant to section 90 of the National Defense Act of June 3, 1916 (32 U.S.C., sec. 42), whether members of existing retirement or pension systems or not, the benefits of social security provided under the Federal Social Security Act enacted by the Congress of the United States, it is declared to be the policy of the Legislature, subject to the limitations of this chapter, that such steps be taken as to provide such protection to such employees on as broad a basis as is permitted under the Social Security Act.

Sec. 2. 5 MRSA § 1222, sub-§ 3, is amended to read:

3. **Employment.** The term "employment" means any service performed by an employee in the employ of any political subdivision of the State, for such employer, **and service performed by an employee in the employ of the State**, except service which in the absence of an agreement entered into under this chapter would constitute "employment" as defined in the Social Security Act; or service which under the Social Security Act may not be included in an agreement between the State and the Federal Security Administrator entered into under this chapter. ~~Employment in positions covered by any retirement system supported wholly or in part by the State or any of its subdivisions may not be included in such agreement~~

Sec. 3. 5 MRSA § 1223, first sentence, is amended to read:

The state agency, with the approval of the Governor, is authorized to enter on behalf of the State into an agreement with the Federal Security Administrator, consistent with the terms and provisions of this chapter, for the purpose of extending the benefits of the Federal Old Age and Survivors Insurance System to employees of any political subdivision of the State, **employees of the State of Maine** and to the civilian employees of the Maine National Guard who are employed pursuant to section 90 of the National Defense Act of June 3, 1916 (32 U.S.C., Sec. 42), with respect to services specified in such agreement which constitute "employment" as defined in section 1222.

Sec. 4. 5 MRSA § 1223, sub-§ 4, is amended to read:

4. Services covered. All services, which constitute employment as defined in section 1222 ~~are performed in the employ of a political subdivision of the State~~ and are covered by a plan which is in conformity with the terms of the agreement and has been approved by the state agency under section 1225 shall be covered by the agreement.

Sec. 5. Appropriation. There is appropriated from the General Fund the sum of \$2,380,425 for the fiscal year ending June 30, 1976 and the sum of \$2,380,425 for the fiscal year ending June 30, 1977, to effectuate, as of the first pay period in the first week of July, 1975, institution of social security coverage for state employees.

Sec. 6. Utilization of other funds. Social Security payments of employees in departments supported by the General Highway Fund, Special Revenue Funds or other funds shall not be paid from the moneys provided in section 5 of this Act, but shall be paid from funds available to the departments from other sources.

STATEMENT OF FACT

The purpose of this bill is to enable state employees to contribute to the social security benefit program to protect them after retirement from state service. The retirement allowance granted after leaving state service is insufficient to maintain oneself with the barest necessities. In conjunction with this low amount of retirement, is the rising cost of living which eats up the purchase power of the minimum retirement. As a result, it is increasingly becoming impossible for dedicated state employees to retire before the mandatory age of 70. After age 70, it is impossible for dedicated state employees to survive on their retirement benefits alone.