

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
108TH LEGISLATURE  
FIRST REGULAR SESSION

(Filing No. H-222)

COMMITTEE AMENDMENT "A" to H.P. 62, L.D. 83, Bill, "AN ACT to Permit the Inhabitants of Cranberry Isles to Withdraw from the Maine State Retirement System."

Amend the Bill by striking out all of sections 2 and 3 and inserting in their place the following:

'Sec. 2. Certain withdrawals authorized; disposition of remaining funds. Any employee of the town who has made contributions to the system may withdraw the same in the manner provided by the Revised Statutes, Title 5, section 1096, as amended; provided that any application for such withdrawal shall be made not later than one year after the effective date of withdrawal by the town from the system.

Following the withdrawal of contributions by all town employees who have the right to do so, or one year from the effective date of withdrawal by the town from the system, whichever first occurs, then any remaining funds established by the system for the town shall be applied by the system toward satisfaction of such retirement allowances and death benefits to the employees of the town who are receiving such allowances from the system as of that date and any employee whose right to receive such allowance or benefit has vested as of such date.

Sec. 3. Town to assume certain obligations. Following the effective date of withdrawal, the system shall annually certify to the town the amount necessary to satisfy the difference between the amount in the town's account with the system and the estimated retirement allowances and death benefits payable by the system to employees of the town and survivors of such employees during the applicable calendar year; and the town shall annually appropriate and pay to the system the amount so certified.'

Statement of Fact

The Town of Cranberry Isles voted last year at town meeting to withdraw from the Maine State Retirement System, providing all employees with vested benefits were protected. There is no provision in the general law for voluntary withdrawal from the system by participating local districts and this legislation would provide a means for Cranberry Isles to withdraw from the Maine State Retirement System. This amendment

more precisely determines the manner by which the town will assume the continued funding of any employee's/<sup>vested</sup> interest in the retirement system which ←—————→ is not withdrawn. It/<sup>also</sup> makes clear the town's continuing legal obligation.

Reported by the Committee on Veterans and Retirement.

Reproduced and distributed under the direction of the Clerk of the House.

4/28/77

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