

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 809

H. P. 668

House of Representatives, March 8, 1977

On motion of Mr. Theriault of Rumford, referred to Committee on Veterans and Retirement. Sent up for concurrence and 2,000 ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Laffin of Westbrook.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT to Improve the Retirement Benefits for Teachers Under the State Retirement System.

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

Sec. 1. 5 MRSA § 1121, sub-§ 12 is enacted to read:

12. Teachers retirement. Any member who is a teacher and who has at least 20 years of creditable service as a teacher may retire on or after attaining age 55, on a service retirement allowance which is equal to $\frac{1}{2}$ of his average final compensation, and an additional 2% of his average final compensation for each year of membership service not included in the age and service conditions for retirement under this subsection. The provisions of subsection 1, paragraph B, requiring retirement at age 70 shall apply to all teachers. The provisions of subsection 2, paragraphs C, D, E, F and G shall apply to a teacher retired under this subsection.

Sec. 2. Application. This Act shall apply to all teachers who retire on or after the effective date of this Act.

Each teacher retired and receiving a retirement allowance on the effective date of this Act shall be entitled to a recomputation of benefits based on the benefits as determined under this Act. The recomputation shall be exclusive of retirement allowance adjustments as granted under section 1128, and shall take effect on the effective date of this Act.

FISCAL NOTE

This Act should result in a reduction of total salaries paid by school systems because of the retirement of high salaried teachers and replacement of

them with lower salaried teachers. However, this Act will also increase the State's contribution to the Retirement System to meet the earlier retirement and longer period of retirement benefits, as well as to meet the increase in benefits to those already retired. Detailed fiscal information on these costs and savings has not yet been determined. When the information is available, it will be provided by the Retirement System.

STATEMENT OF FACT

The purpose of this bill is to allow earlier retirement for teachers. This bill allows teachers to retire on attaining 20 years of service and after reaching age 55, instead of 25 years and age 60. The increase in benefits is also applied to retired teachers.