

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1756

H. P. 1530

House of Representatives, May 6, 1977

Reported by Majority from Committee on Veterans and Retirement. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

**AN ACT to Increase Retirement Benefits for Teachers Who
Taught Prior to July 1, 1942.**

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

Sec. 1. 5 MRSA § 1121, sub-§ 2, ¶ A, sub-¶ (2), first sentence, is repealed and the following enacted in its place:

(2) If he has a prior service certificate in full force and effect, 1/50 of his average final compensation multiplied by the number of years, not to exceed 25, of his prior service or, if he was formerly subject to the Revised Statutes of 1944, chapter 37, sections 212 to 241, with a prior service certificate in full force and effect for teaching service before July 1, 1947, 1/50 of his average final compensation multiplied by the number of years of his prior service.

Sec. 2. 5 MRSA § 1121, sub-§ 2, ¶ A, sub-¶ (2-A), as amended by PL 1973, c. 788, § 17, is repealed.

Sec. 3. 5 MRSA § 1121, sub-§ 2, ¶ A, sub-¶ (3), 2nd sentence, as amended by PL 1973, c. 788, § 18, is repealed.

Sec. 4. 5 MRSA § 1121, sub-§ 5, as last amended by PL 1973, c. 542, § 9, is repealed and the following enacted in its place:

5. Teachers. Any teacher who began to teach in the public schools of Maine prior to July 1, 1947, and has attained 60 years of age shall, upon proper application and verification of at least 15 years of such teaching service, be granted a minimum monthly benefit of \$120. If, by virtue of length of teaching service in Maine and verification of the teacher's salary at that time, a greater monthly benefit amount would be calculated under subsection 2, paragraph A, then the greater amount shall be paid.

Sec. 5. Application. Adjustments in benefits authorized by this Act, including recomputations pursuant to Title 5, section 1121, subsection 2, paragraph A, subparagraph (3), shall be effective on the first day of the month following the effective date of this Act, and shall be paid on the first monthly pension payroll subsequent to that day, and on every monthly pension thereafter.

Sec. 6. Appropriation. There is appropriated from the General Fund to the State Retirement System the sum of \$1,976,592 for the fiscal years ending June 30, 1978, and June 30, 1979. The breakdown shall be as follows:

	1977-78	1978-79
STATE RETIREMENT SYSTEM		
Retirement Allowance Fund		
All Other	\$988,296	\$988,296
Provides funds for the increase in benefits to teachers with teaching service prior to July 1, 1942.		

FISCAL NOTE

The annual cost of the increase in benefits authorized under this Act is not more than \$988,296. The annual cost will continue for an indefinite future period, until all teachers who taught in Maine prior to 1947 have died; but after fiscal year 1978-79, the cost will be automatically included in the general request for an appropriation by the Retirement System.

The cost of this Act is broken down as follows:

Annual cost of \$120 minimum benefit (section 4)	\$ 28,296
Annual cost to change formula to 1/50 (sections 1 & 2)	960,000

STATEMENT OF FACT

The purpose of this new draft is to equalize the benefits of teachers who taught in Maine prior to 1942 with the benefits of pre-1947 state employees. Presently, teachers with pre-1942 service receive retirement benefits for that period based on a calculation of 1/60th of average final compensation, while state employees with pre-1947 service receive benefits for that period based on 1/50th compensation. This bill changes the teacher's pre-1942 calculation from 1/60th to 1/50th.