

MAINE STATE LEGISLATURE

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L.D. 1939
(Filing No. S-596)

STATE OF MAINE
SENATE
108TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "B " to COMMITTEE AMENDMENT "A" to H.P. 1885,
L.D. 1939, Bill, "AN ACT Pertaining to Ordinary Death Benefits
Under the Maine State Retirement System."

Amend the Amendment by striking out everything after the
first paragraph and inserting in its place the following:

'Sec. 1. 5 MRSA §1062, sub-§6, ¶¶ A, C and D, are amended
to read:

A. The Survivors' Benefit Fund shall be the fund in
which shall be accumulated all reserves required for the
payment of survivors' benefits as set forth in section 1124,
subsection 1 and section 1124-A.

C. On account of each member there shall be paid annually
into the Survivors' Benefit Fund by the State an amount
equal to a certain percentage of the annual earnable
compensation of such member to be known as the "survivors'
contribution." The rate per cent of such contributions
shall be fixed on the basis of the liabilities established
by section 1124, subsection 1, and section 1124-A, as shown
by actuarial valuation.

D. All benefits payable under section 1124, subsection 1,
and section 1124-A, shall be paid from the Survivors'
Benefit Fund except as may be otherwise specifically
provided.

R.
Sec. 2. 5 MRSA §1092, sub-§13, 1st sentence, is amended
to read:

Before electing survivor benefits as provided by section 1124, subsections 1 and 3, or section 1124-A, the chief fiscal officer of a participating local district shall submit to the board of trustees such information as shall be prescribed by the board of trustees in order to determine, on such actuarial basis as may be adopted by the board of trustees, the cost of the initial survivor's contribution of such participating local district.

Sec. 3. 5 MRSA §1124-A is enacted to read:

§1124-A. Ordinary death benefits option for participating local districts

Any participating local district, by filing with the board of trustees a duly certified copy of its action, may provide, in addition to those benefits under section 1124, the following special survivor benefit option to certain designated beneficiaries.

1. Benefits. In lieu of accepting the benefits provided in section 1124, subsection 1, paragraphs A or B, the first of certain designated beneficiaries, if living at the death of the member or former member, may elect to substitute the benefits described in this paragraph, provided that the deceased member or former member had 20 years of creditable service at the time of his death. The designated beneficiary shall be a spouse, child or children, parent or parents of the deceased; or, if no designation was made, the first of the following list of persons, if any, alive at the death of the member or former member: Spouse,

child or children, parent or parents of the deceased. Participating local districts which adopt this section may limit the designated beneficiaries eligible for these benefits and the undesignated beneficiaries eligible for benefits if no designation is made. Any subsequent alteration in the designation of the beneficiaries shall be in the manner provided in section 1033.

2. Payment. The beneficiary shall be paid, commencing the first month after death occurs and continuing until the date of his death, a retirement allowance computed in accordance with section 1121, subsection 2, paragraph A and subject to the reduction required in section 1121, subsection 3, as if the service retirement of the member or former member had taken place on the date of his death. These benefits shall be payable in accordance with section 1126, option 2.

3. Effective date. Participating local districts who elect to adopt the provisions of this section shall designate the effective date of this section for purposes of determining which persons currently receiving benefits under section 1124, subsection 1, paragraph B may elect these benefits, if eligible, in lieu thereof. Benefit recomputation and payments for all persons, if any, electing benefits under this section shall become effective as of the first day of the month following notification to the board of trustees of the adoption of this section. Persons currently receiving benefits under section 1124, subsection 1, paragraph B in a participating local district which has adopted

the provisions of this section retroactively may elect to receive benefits under this section, if eligible, in lieu of the benefits currently being received under section 1124, subsection 1, paragraph B, upon written application to the executive director provided the application is received by the executive director within 6 months following the notification to the board of trustees by the local participating district adopting this section.'

Statement of Fact

This amendment replaces all previous amendments and allows local participating districts to elect the survivor benefit option provided therein. Since this option is not available for state employees, there is no cost to the State. A participating local district will only pay if it elects these benefits.

(S. Collins)
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