

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 430

H. P. 331

House of Representatives, February 8, 1979

Referred to the Committee on Aging, Retirement and Veterans. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Morton of Farmington.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT to Limit Additional Retirement Benefits under the Maine State Retirement System.

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

5 MRSA § 1092, sub-§ 3-A, as amended by PL 1975, c. 770, § 22, is further amended to read:

3-A. Additional retirement benefits. Any participating local district, by filing with the board of trustees a duly certified copy of its actions, may provide an additional retirement benefit for ~~all employees~~ **any class of employees** eligible for retirement benefits or allowances under subsections 2 or 3 of this section or under subsections 4, 8 and 9 of section 1121, of 2% of average final compensation for each year of membership service ~~not included in the eligible employment served after completion of the age and service conditions for retirement under these sections and after the effective date of the action by the participating local district.~~

STATEMENT OF FACT

The purpose of this bill is to limit the "additional retirement benefit" under Title 5, section 1092, subsection 3-A, of 2% per year for each additional year of service, to years of service in eligible employment following completion of the age and service requirements for retirement from that employment. In a 1976

opinion the Attorney General's office interpreted the phrase "for each year of membership not included in the age and service conditions for retirement under these sections" as including service prior to service in the special class of employment to which the benefit attaches, as well as service served after the minimum time necessary for retirement from that employment. The effect of this interpretation is to expose participating local districts to considerable unanticipated costs where eligible employees have had membership service prior to service in the special class.

The bill also limits the service which is eligible for the 2% benefit to the service in which the age and service requirements for retirement have been completed, and further limits eligible service to service performed after the effective date of the adoption of the benefit by the participating local district.