

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 660

H. P. 517

House of Representatives, February 20, 1979

Referred to the Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Kany of Waterville.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT to Expand the Forms of Deferred Compensation Under the Deferred Compensation Plan.

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

Sec. 1. 5 MRSA § 881, as enacted by PL 1973, c. 491, is amended to read:

§ 881. Deferred compensation plan

The State or any county, city, town or other political subdivision may, by contract, agree with any employee to defer, in whole or in part, any portion of that employee's compensation and subsequently, contract for, purchase or otherwise procure for the purpose of funding a deferred compensation program for the employee a fixed or variable life insurance or annuity contract from an insurance company licensed to contract business in this State, or shares of an investment company registered under the Investment Company Act of 1940, **or any appropriate savings, share or certificate account in any financial institution or credit union authorized to do business in Maine.** The employee may choose the type of deferred compensation program preferred.

Sec. 2. 5 MRSA § 885, first sentence, as enacted by PL 1973, c. 491, is amended to read:

The advisory council shall select up to 3 firms for participation by state employees as the result of investigation and competitive bidding, as outlined in

chapter 155, for participation in fixed or variable life insurance or annuity contracts from insurance companies licensed to contract business in the State or shares of an investment company registered under the Investment Company Act of 1940.

Sec. 3. 5 MRSA § 885, 2nd ¶, as enacted by PL 1973, c. 491, is amended to read:

The accounts of all financial institutions or credit unions authorized to do business in Maine shall be eligible for deferred income programs under this Act. Any county, city, town or other political subdivision wishing to make use of any material relating to evaluation, or competitive bidding compiled by the council, may receive copies on request.

Sec. 4. 5 MRSA § 887, as enacted by PL 1973, c. 491, is amended to read:

§ 887. Payment of premiums and purchase of shares

Notwithstanding any other provision of law to the contrary, those persons designated to administer the deferred compensation program are authorized to make payment of premiums for the purchase of fixed or variable life insurance or annuity contracts and to purchase investment company shares or **make deposits or purchase shares in financial institutions or credit unions authorized to do business in Maine** under the deferred compensation program. Such payments shall not be construed to be a prohibited use of the general assets of the State, county, city or other political subdivision.

STATEMENT OF FACT

The intent of this bill is to expand the forms of deferred compensation funding to include appropriate deposit accounts in financial institutions or credit unions authorized to do business in Maine.