

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1403

H. P. 1137

House of Representatives, March 22, 1979

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

EDWIN H. PERT, Clerk

Presented by Mrs. P. Reeves of Pittston.

Cosponsor: Mr. Connolly of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT to Remove the Limitation on Outside Earnings of Disability Retirement Allowance Recipients.

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

Sec. 1. 5 MRSA § 1122, sub-§ 5, 2nd sentence, as repealed and replaced by PL 1975, c. 622, § 54, is repealed and the following enacted in its place:

If, for any year, that compensation exceeds \$10,000, the excess shall be deducted from the disability or service retirement allowance payments during the next calendar year, the deductions to be prorated on a monthly basis in an equitable manner prescribed by the board of trustees over the year or part thereof for which benefits are received.

Sec. 2. Applicability. This Act shall apply to all employees of the State and of the local participating districts.

STATEMENT OF FACT

Current recipients of disability retirement allowances have their disability allowances reduced if their outside earnings, combined with their disability retirement allowance, exceed their average final compensation. For example, a

disability retiree who receives \$4,300 could earn approximately \$2,050 without a reduction in his disability allowance. If his combined compensation exceeded \$6,350, he would have the excess deducted from his disability allowance the next year. This bill allows disability retirees to earn up to \$10,000 without a reduction in their disability allowance.