

MAINE STATE LEGISLATURE

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SECOND REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1708

H. P. 1597

Office of the Clerk of the House

The Committee on Education suggested. Approved for introduction by the Legislative Council pursuant to Joint Rule 26.

Presented by Mr. Leighton of Harrison.

EDWIN H. PERT, Clerk of the House

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY

**AN ACT to Make Corrections in the Law with Respect to Bridgton Academy,
Gould Academy and North Yarmouth Academy.**

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

PL 1979, c. 16, § 2 is amended to read:

Sec. 2. Application and effective dates. That part of section 1 which applies to Bridgton Academy, Gould Academy and North Yarmouth Academy shall be applied to employees of these schools who are members of the Maine State Retirement System as "teachers" on September 1, 1979, under the following conditions.

1. Continue membership. Those persons who indicate a desire to continue membership in the Maine State Retirement System shall be permitted to do so.

2. Terminate membership. Those persons who desire to terminate membership in the Maine State Retirement System may be permitted to do so and receive a refund of the member's contributions and interest **at any time**.

3. Vested interest. Those persons who have attained a vested interest in the Maine State Retirement System may elect to terminate membership in the Maine State Retirement System and freeze their vested interest **at any time**.

For those persons who elect to continue membership in the Maine State Retirement System and those who have a vested right and elect to freeze their

vested interest, the Maine State Retirement System shall annually charge the respective academy for the employer cost of Maine State Retirement System benefits, using the same actuarial costs that are determined for public school teachers in other school systems within the state. **Nothing contained in this section shall be construed to limit the rights of the respective academies to negotiate salaries with the employees, including persons who elect to continue membership in the Maine State Retirement System and those who have a vested right and elect to freeze their vested interest.**

STATEMENT OF FACT

Public Law 1979, chapter 16, sections 1 and 2, halted financing by the Maine State Retirement System employer retirement costs for teachers employed by Bridgton Academy, Gould Academy and North Yarmouth Academy and put the entire employer cost upon the respective academies. The abrupt termination of the funding by the State places an unexpected and substantial financial burden on these small, nonprofit, educational institutions. All 3 academies participate in the federal Social Security system and make employer contributions on behalf of their teachers to the Social Security system.

Each academy presently faces a period of fiscal austerity and budgetary restraint. The added cost of employer contributions to the Maine State Retirement System would result in a severe impact on the budget and finances of each school. This proposal allows the respective academies the flexibility necessary to meet the burdens imposed by enactment of Public Law 1979, chapter 16.