

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 845

S. P. 301

In Senate, February 13, 1981

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

MAY M. ROSS, Secretary of the Senate

Presented by Senator Teague of Somerset.

Cosponsor: Representative Nelson of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Amend the Group Life Insurance Program for State Employees and Teachers.

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

Sec. 1. 5 MRSA § 1151, sub-§ 9, ¶ A, first paragraph, as amended by PL 1971, c. 589, § 4, is further amended to read:

A. On retirement for reasons other than occupational disability, the average amount of insurance in force for the last ~~3~~ 2 years prior to retirement shall be continued in force at no cost to the state employee or teacher, provided that he has participated in the group life insurance program for a minimum of 10 years immediately prior to retirement. ~~Said~~ The average amount shall be reduced at the rate of 15% per year to a minimum of ~~25%~~ 40% of ~~said the~~ average amount, and the maximum amount of insurance in force on a retired member after attaining age 70 shall be ~~25%~~ 40% of the average amount of insurance in force for the last ~~3~~ 2 years prior to retirement.

Sec. 2. 5 MRSA § 1151, sub-§ 9, ¶ B is amended to read:

B. On retirement for occupational disability, the amount of insurance in force at the time of retirement shall be continued in force at no cost to the state employee or teacher until attainment of the age of 60, after which ~~said the~~ amount shall be reduced at the rate of 15% per year to a minimum of ~~25%~~ 40% of

~~said~~ the amount and the maximum amount of insurance in force after attaining age 70 shall be ~~25~~ 40% of the amount in force at time of retirement.

Sec. 3. 5 MRSA § 1151, sub-§ 9, last ¶, as amended by PL 1973, c. 625, § 28, is further amended to read:

Any insured person who is retired and is living on ~~June 9, 1972~~ July 1, 1981, shall be entitled to a recomputation of insurance on the ~~3-year~~ 2-year basis and which recomputation shall also be reduced equivalently from date of retirement in accordance with the procedure detailed in paragraphs A and B.

STATEMENT OF FACT

Dividends under the basic group life insurance program for state employees and teachers have been accumulating in the retirement account for a number of years. The amount of accumulated dividends now makes feasible a substantial increase in coverage for retirees. The purpose of this bill is to amend the state retirement law to increase coverage.