

MAINE STATE LEGISLATURE

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(After Deadline)
FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 1562

H. P. 1385

House of Representatives, April 27, 1981

(Approved for introduction by a Majority of the Legislative Council pursuant to Joint Rule 27)

Reference to the Committee on Aging, Retirement and Veterans suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Huber of Falmouth.

STATE OF MAINE

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

AN ACT to Provide Optional Local Funding of the State Retirement System Membership by School Administrative Units and to Allow Out-of-State Service Credits to Those Units.

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

Sec. 1. 5 MRSa § 1063 is enacted to read:

§ 1063. Local funding of teacher retirement costs

Notwithstanding any other provision of law, any school administrative unit may elect to pay the entire state share of retirement costs for its teachers by filing a duly certified copy of its action authorizing that election by the school committee or board of directors. The actuary of the retirement system shall compute the contributions payable by the school administrative unit on account of its members in accordance with this chapter. This computation shall take into account the actuarial valuation of any accrued liability on account of the members of the school administrative unit and shall be subject to any additional prior service credits awarded to those members. The contributions so computed, together with a pro rata share of the cost of the administration of the retirement system, based on the payroll of those teachers, and the cost of the annual valuation shall be certified by the board of trustees to the school committee or board of directors of

the school administrative unit, and the amounts certified shall be a charge against the school administrative unit. The school administrative unit shall pay to the Treasurer of State the amount certified by the board of trustees as payable under this section, and the Treasurer of State shall credit these amounts to the appropriate funds of the retirement system. Separate accounts shall be kept of the amounts credited, upon the retirement of any member of a school administrative unit which has elected to pay costs under this section. The required reserves shall be transferred, as soon as accumulated, to the appropriate fund of the retirement system and shall become the property of the Maine State Retirement System.

Sec. 2. 5 MRS § 1094, sub-§ 18 is enacted to read:

18. Additional service credit for school administrative units. Notwithstanding any other provision of this section, any school administrative unit which elects to pay the state share of the retirement costs under section 1063 may award additional service credit for its members under subsections 12, 13 and 14, regardless of the member's entry date into the system. Any school administrative unit which awards additional service credit under this subsection must award that credit for all its members who otherwise qualify.

STATEMENT OF FACT

The purpose of this bill is to allow school administrative units to "buy in" additional out-of-state service for members entering the system subsequent to 1975, provided that the school administrative unit fully funds its retirement costs.