

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 453
6

7 H.P. 370

House of Representatives, February 1, 1983

8 Received by the Clerk of the House on February 1, 1983. Referred to the
9 Committee on Aging, Retirement and Veterans, and ordered printed pursuant
to Joint Rule 14.

EDWIN H. PERT, Clerk

10 Presented by Representative Hickey of Augusta.

Cosponsors: Representative Perry of Mexico, Representative Murray of
Bangor and Representative Ainsworth of Yarmouth.

11
12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-THREE
16

17 AN ACT to Amend the Definition of
18 Earnable Compensation.
19

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

22 5 MRSA §1001, sub-§9, as amended by PL 1975, c.
23 622, §§1 and 2, is further amended to read:

24 9. Earnable compensation. "Earnable compensa-
25 tion" ~~shall mean~~ means actual compensation, including
26 workers' compensation benefits and maintenance if
27 any, but shall not include payment for more than 30
28 days of accumulated or accrued sick leave or unused
29 vacation leave or a combination of both, nor include
30 any other payment which is not compensation for actu-
31 al services rendered or which is not paid at the time
32 such these services are rendered. Any money paid by
33 an employer under an annuity contract for the future
34 benefit of an employee shall be considered part of
35 the employee's earnable compensation.

1 The earnable compensation of a member retired with a
2 disability retirement allowance under section 1122
3 shall be assumed, for the purposes of determining
4 benefits under this chapter, to be continued after
5 his date of termination of service at the same rate
6 as received immediately prior thereto, subject to the
7 same percentage adjustments, if any, that may apply
8 to the amount of retirement allowance of the benefi-
9 ciary under section 1128.

10 If a member's compensation during any year exceeds
11 120% of his earnable compensation for the previous
12 year, the amount in excess of 120% shall not be
13 included in the member's earnable compensation for
14 that year, unless the amount in excess of 120% is
15 attributable to promotion or reclassification or
16 reallocation of the member's position. The term
17 "year" means, for the purposes of this subsection,
18 calendar year, except that for teachers it means
19 school year. If a member terminates at any time other
20 than at the end of a year, this restriction shall be
21 applied on a pro rata basis.

22 STATEMENT OF FACT

23 This bill makes it clear that members of the
24 Maine State Retirement System are entitled to credit-
25 able service during all periods when receiving work-
26 ers' compensation benefits and that contributions
27 must be paid on these benefits.

28 This bill is also intended to discontinue the
29 practice of increasing a member's average final com-
30 pensation by working an extraordinary number of hours
31 of overtime or relinquishing fringe benefits in
32 return for increased salary during the last 3 years
33 of employment.

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