

MAINE STATE LEGISLATURE

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1 (New Draft of H.P. 25, L.D. 30)
2 (New Title)

3 FIRST REGULAR SESSION
4

5 ONE HUNDRED AND ELEVENTH LEGISLATURE
6

7 Legislative Document

No. 1525

9 H.P. 1155

House of Representatives, April 29, 1983

10 Reported by Representative Lehoux from the Committee on Aging,
11 Retirement and Veterans and printed under Joint Rule 2.

12 Original bill presented by Representative Rolde of York.

EDWIN H. PERT, Clerk

13
14 STATE OF MAINE
15

16 IN THE YEAR OF OUR LORD
17 NINETEEN HUNDRED AND EIGHTY-THREE
18

19 AN ACT to Clarify Legislative Intent
20 Concerning Funding of the Maine State
21 Retirement System.
22

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

25 5 MRSA §1063 is enacted to read:

26 §1063. Legislative findings and intent

27 1. Findings. The Legislature finds that the
28 State owes a great debt to its retired employees for
29 their years of faithful and productive service. Part
30 of that debt is repaid by the benefits provided to
31 retirees through the Maine State Retirement System.
32 Retirees who depend heavily on these benefits and
33 current employees, who will one day retire and

1 receive benefits are concerned about the financial
2 viability of the system.

3 2. Intent. It is the intent of the Legislature
4 that there shall be appropriated and transferred
5 annually to the Maine State Retirement System the
6 funds necessary to meet the system's long and short
7 term financial obligations based on the actuarial
8 assumptions established by the board of trustees upon
9 the advice of the actuary. The goal of the actuarial
10 assumptions shall be to achieve a fully funded sys-
11 tem. The system's unfunded liability for persons
12 formerly subject to the Maine Revised Statutes of
13 1944, chapter 37, sections 212 to 220 shall be
14 repaid to the system from annual appropriations over
15 the funding period of the system.

16 3. Implementation. It shall be the responsibil-
17 ity of the board of trustees to calculate the funds
18 necessary to maintain the system on an actuarially
19 sound basis, including the unfunded liability arising
20 from payment of benefits for which contributions were
21 not received and to transmit those calculations to
22 the State Budget Officer as required by sections 1661
23 to 1667. It shall be the responsibility of the
24 Legislature to appropriate and transfer those funds
25 annually. This section shall not be construed to re-
26 quire the State to appropriate and transfer funds to
27 meet the obligations of participating local district
28 members of the system.

29 STATEMENT OF FACT

30 The original bill provided for a constitutional
31 resolution to make appropriation of funds to the
32 Maine State Retirement System by the executive and
33 legislative branches mandatory. The new draft pro-
34 vides for a statutory expression of that intent. The
35 new draft also clarifies that the obligation is to
36 provide funding on an actuarially sound basis and
37 that there is no obligation to the State to appropri-
38 ate funds to pay for the obligations of participating
39 local district members of the Maine State Retirement
40 System.

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