

MAINE STATE LEGISLATURE

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1 (New Draft of H.P. 1218, L.D. 1617)
2 (New Title)

3 SECOND REGULAR SESSION
4

5 ONE HUNDRED AND ELEVENTH LEGISLATURE
6

7 Legislative Document

No. 2426

9 H.P. 1832

House of Representatives, April 3, 1984

10 Reported by Report A from the Committee on Taxation and printed
11 under Joint Rule 2.

Original bill presented by Representative McCollister of Canton.

12 EDWIN H. PERT, Clerk

13
14 STATE OF MAINE
15

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

19 AN ACT to Modify Early Retirement Plans
20 for State Employees Hired After August 31,
21 1984.
22

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

25 Sec. 1. 5 MRSA §1095, sub-§2, as repealed and
26 replaced by PL 1975, c. 622, §38-B, is amended to
27 read:

28 2. State Police. Each member of the State Po-
29 lice, including the chief thereof or a member of the
30 State Police or the chief thereof who is appointed to
31 the position of Commissioner of Public Safety, who
32 became a member of that department subsequent to July
33 9, 1943 but before September 1, 1984, shall contrib-
34 ute at a rate of 7.5% of earnable compensation to the

1 Retirement System until he has completed 20 years of
2 creditable service, as required under section 1121,
3 subsection 1, paragraph C. After completing such ser-
4 vice, a member of the State Police shall contribute
5 at a rate of 6.5% of earnable compensation for the
6 remainder of his employment as a member of the State
7 Police.

8 A person hired after August 31, 1984, as a member of
9 the State Police shall contribute at a rate of 7.5%
10 of earnable compensation until he has completed 25
11 years of creditable service as a member of the State
12 Police. After completing that service, the employee
13 shall contribute at a rate of 6.5% of earnable com-
14 penetration for the remainder of his employment in such
15 a position.

16 Sec. 2. 5 MRSA §1095, sub-§3, as amended by PL
17 1977, c. 661, §1, is further amended to read:

18 3. Fisheries and Game Warden. Each law enforce-
19 ment officer in the Department of Inland Fisheries
20 and Wildlife and each law enforcement officer in the
21 Department of Marine Resources who is employed as
22 such before September 1, 1984, shall contribute at a
23 rate of 7.5% of earnable compensation until he has
24 completed 20 years of creditable service, as required
25 under section 1121, subsection 1, paragraph D. After
26 completing such service, a law enforcement officer in
27 the Department of Inland Fisheries and Wildlife or in
28 the Department of Marine Resources shall contribute
29 at a rate of 6.5% of earnable compensation for the
30 remainder of his employment as such a law enforcement
31 officer.

32 A commissioner or a deputy commissioner of the De-
33 partment of Marine Resources may elect to contribute
34 as a member under subsection 1 rather than this sub-
35 section if he files a written copy of the election of
36 that choice with the board of trustees.

37 Sec. 3. 5 MRSA §1095, sub-§4, as repealed and
38 replaced by PL 1975, c. 622, §38-B, is amended to
39 read:

1 4. Forest rangers. Each forest ranger in the Bu-
2 reau of Forestry, Department of Conservation, who is
3 employed as such before September 1, 1984, shall con-
4 tribute at a rate of 7.5% of earnable compensation
5 until he has attained eligibility for retirement un-
6 der section 1121, subsection 1, paragraph E. After
7 attaining eligibility for retirement, a forest ranger
8 shall contribute at a rate of 6.5% of earnable com-
9 pensation for the remainder of his employment as a
10 forest ranger.

11 Sec. 4. 5 MRSA §1095, sub-§5, as repealed and
12 replaced by PL 1975, c. 622, §38-B, is amended to
13 read:

14 5. Maine State Prison employees. Each employee
15 of the Maine State Prison, who is an incumbent in a
16 position described in section 1121, subsection 4,
17 paragraph F, and who is employed as such before Sep-
18 tember 1, 1984, shall contribute at a rate of 7.5% of
19 earnable compensation until he has attained eligibil-
20 ity for retirement under section 1121, subsection 4,
21 paragraph F. After attaining eligibility for retire-
22 ment, such employee shall contribute at a rate of
23 6.5% of earnable compensation for the remainder of
24 his employment in such a position.

25 Each employee of the Maine State Prison, who is hired
26 after August 31, 1984, in a position described in
27 section 1121, subsection 4, paragraph F, shall con-
28 tribute at a rate of 7.5% of earnable compensation
29 until he has completed 25 years of creditable service
30 in such a position or positions. After completing
31 that service, the employee shall contribute at a rate
32 of 6.5% of earnable compensation for the remainder of
33 his employment in such a position.

34 Sec. 5. 5 MRSA §1121, sub-§1, ¶C, as amended by
35 PL 1977, c. 580, §§5 and 6, is further amended to
36 read:

37 C. Any member of the State Police who became a
38 member of that department ~~subsequent to~~ after Ju-
39 ly 9, 1943, but before September 1, 1984, may re-
40 tire upon completion of 20 years of creditable
41 service as a state police officer. Military ser-
42 vice credits as allowed under section 1094 shall

1 not be considered as part of the creditable ser-
2 vice necessary for the 20 years' service as a
3 state police officer, but military service cred-
4 itable under section 1091 shall be considered to
5 be part of the creditable service necessary for
6 the 20 years as a state police officer provided
7 that the member was a state police officer at the
8 time of entrance into such military service and
9 upon separation from military service again be-
10 came a state police officer. The total amount of
11 the service retirement allowance of a member re-
12 tired in accordance with this paragraph shall be
13 equal to 1/2 of his average final compensation,
14 and an additional 2% of his average final compen-
15 sation for each year of membership service not
16 included in determining eligibility for retire-
17 ment under this paragraph.

18 Upon the death of a member of the Maine State Po-
19 lice who is the recipient of a retirement allow-
20 ance under this ~~section~~ paragraph, without op-
21 tional modification, or is retired under the dis-
22 ability provisions, the surviving spouse shall
23 become entitled to a retirement allowance which
24 shall be equal to 1/2 of the amount being paid at
25 the time of his death and which payment shall
26 continue for the remainder of his or her lifetime
27 or until he or she becomes the dependent of an-
28 other person. Payment of the appropriate monthly
29 amount shall be made to the surviving spouse for
30 the account of any deceased member of the State
31 Police who had retired without optional modifica-
32 tion under this paragraph as of September 23,
33 1971, and shall not be retroactive.

34 For purposes of this Title, a member of the State
35 Police shall be deemed to mean any state police
36 officer or any such state police officer who is
37 appointed Chief of the State Police or Commis-
38 sioner of Public Safety.

39 **Sec. 6. 5 MRSA §1121, sub-§1, ¶D, as amended by**
40 **PL 1977, c. 661, §2, is further amended to read:**

41 D. Any law enforcement officer in the Department
42 of Inland Fisheries and Wildlife and any law en-
43 forcement officer in the Department of Marine Re-

1 sources, who is employed as such before September
2 1, 1984, may retire upon completion of 20 years
3 of creditable service as a law enforcement offi-
4 cer in the Department of Inland Fisheries and
5 Wildlife or a law enforcement officer in the De-
6 partment of Marine Resources. Military service
7 credits, as allowed under section 1094, shall not
8 be considered as part of the creditable service
9 as a law enforcement officer under this section,
10 but any military service creditable under section
11 1091 shall be considered to be part of the cred-
12 itable service necessary for the 20 years as a
13 law enforcement officer, provided that he was a
14 law enforcement officer in either of these de-
15 partments at the time of entrance into such mili-
16 tary service and upon separation from military
17 service again became a law enforcement officer in
18 either of these departments. The total amount of
19 the service retirement allowance of a law en-
20 forcement officer retired in accordance with this
21 paragraph, shall be equal to 1/2 of his average
22 final compensation and an additional 2% of his
23 average final compensation for each year of mem-
24 bership service not included in determining eli-
25 gibility for retirement under this paragraph.

26 Upon the death of a law enforcement officer of
27 the Department of Marine Resources or a law en-
28 forcement officer of the Department of Inland
29 Fisheries and Wildlife who is the recipient of a
30 retirement allowance under this ~~section~~
31 paragraph, without optional modification, or is
32 retired under the disability provisions, the sur-
33 viving spouse, shall become entitled to a retire-
34 ment allowance which shall be equal to 1/2 of the
35 amount being paid at the time of his death and
36 which payment shall continue for the remainder of
37 his or her lifetime or until he or she becomes
38 the dependent of another person.

39 A commissioner or a deputy commissioner of the
40 Department of Marine Resources may retire under
41 this paragraph if he has contributed as a law en-
42 forcement officer under section 1095, subsection
43 3.

1 Sec. 7. 5 MRSA §1121, sub-§1, ¶E, as repealed
2 and replaced by PL 1977, c. 580, §8, is amended to
3 read:

4 E. Any forest ranger in the Department of Con-
5 servation, who is employed as such before Septem-
6 ber 1, 1984, may retire at attained age 50 or
7 upon completion of 25 years of total creditable
8 service as a forest ranger in this department,
9 whichever is later. The total amount of the ser-
10 vice retirement allowance of a forest ranger in
11 this department, retired in accordance with this
12 paragraph, shall be equal to 1/2 of his average
13 final compensation and an additional 2% of his
14 average final compensation for each year of mem-
15 bership service not included in the age and ser-
16 vice conditions for retirement under this para-
17 graph.

18 Sec. 8. 5 MRSA §1121, sub-§4, ¶A, as amended by
19 PL 1979, c. 624, §1, is further amended to read:

20 A. Any member who

21 (2) Is an airplane pilot employed by the
22 State of Maine; who is employed as such be-
23 fore September 1, 1984, or a member of a
24 fire or police department including the
25 chiefs thereof and sheriffs and deputy sher-
26 iffs, and, in any case, who has at least 25
27 years of creditable service in his respec-
28 tive capacity, may be retired on or after
29 the attainment of age 55 on a service re-
30 tirement allowance.

31 Any participating local district electing these
32 benefits may, by filing with the board of trust-
33 ees a duly certified copy of its action, discon-
34 tinue any such benefit as to members of a fire or
35 a police department, including the chiefs thereof
36 and sheriffs and deputy sheriffs hired after the
37 effective date of the action only, and may there-
38 upon substitute for the benefit any other benefit
39 provided for by this chapter. Nothing in this
40 paragraph may be construed to affect in any way
41 the rights of public employees to collectively
42 bargain for terms and conditions of employment.

1 Sec. 9. 5 MRSA §1121, sub-§4, ¶D, as amended by
2 PL 1983, c. 480, Pt. A, §6, is further amended to
3 read:

4 D. Any member who is a liquor inspector, includ-
5 ing the chief inspector, who is employed as such
6 before September 1, 1984, and who has completed
7 at least 25 years of creditable service in his
8 respective capacity, may retire at age 55 on a
9 service retirement allowance, which shall be
10 equal to 1/2 of his average final compensation
11 and an additional 2% of his average final compen-
12 sation for each year of membership service not
13 included in the age and service conditions for
14 retirement under this paragraph.

15 Sec. 10. 5 MRSA §1121, sub-§4, ¶F, as repealed
16 and replaced by PL 1977, c. 580, §11, is amended to
17 read:

18 F. Any member who is the warden or deputy warden
19 of the Maine State Prison, or any officer or em-
20 ployee of the Maine State Prison employed as a
21 guard, or engaged in any management of prisoners,
22 or as the supervising officers of any such guards
23 or employees, who is employed as such before Sep-
24 tember 1, 1984, and in any case, who has at least
25 20 years of creditable service in his respective
26 capacity, or cumulatively in any combination of
27 such prison employment capacities may retire at
28 age 50 on a service retirement allowance, which
29 shall be equal to 1/2 of his average final com-
30 pensation and an additional 2% of his average fi-
31 nal compensation for each year of membership ser-
32 vice not included in the age and service condi-
33 tions for retirement under this paragraph.

34 Sec. 11. 5 MRSA §1121, sub-§4, ¶¶G and H are en-
35 acted to read:

36 G. A member hired after August 31, 1984, as a
37 member of the State Police, may retire after com-
38 pletion of 25 years of creditable service as a
39 member of the State Police and attainment of age
40 55; the service retirement allowance shall be de-
41 termined in accordance with subsection 2, para-
42 graph A.

1 Any such member who has completed 25 or more
2 years of creditable service may retire at any
3 time prior to the attainment of age 55 and re-
4 ceive a service retirement allowance. The re-
5 irement allowance shall be determined in accord-
6 ance with subsection 2, paragraph A, but shall be
7 at a reduced amount determined by applying to the
8 retirement allowance the percentage that a life
9 annuity due at age 55 bears to the life annuity
10 due at the age of retirement subject to this sub-
11 section. For this purpose, the tables of annui-
12 ties as approved by the board of trustees at the
13 dates of retirement shall be used.

14 H. A member hired after August 31, 1984, as the
15 warden or deputy warden of the Maine State Pris-
16 on, or any officer or employee of the Maine State
17 Prison employed as a guard, or engaged in any
18 management of prisoners, or as the supervising
19 officers of any such guards or employees, may re-
20 tire after completion of 25 years of creditable
21 service in such a position or positions and at-
22 tainment of age 55; the service retirement allow-
23 ance shall be determined in accordance with sub-
24 section 2, paragraph A.

25 Any such member who has completed 25 or more
26 years of creditable service may retire at any
27 time prior to the attainment of age 55 and re-
28 ceive a service retirement allowance. The re-
29 irement allowance shall be determined in accord-
30 ance with subsection 2, paragraph A, but shall be
31 at a reduced amount determined by applying to the
32 retirement allowance the percentage that a life
33 annuity due at age 55 bears to the life annuity
34 due at the age of retirement subject to this sub-
35 section. For this purpose, the tables of annui-
36 ties as approved by the board of trustees at the
37 dates of retirement shall be used.

38 Sec. 12. 5 MRSA §1121, sub-§12 is enacted to
39 read:

40 12. Transfer from special plan. Any member who
41 has completed the service requirements for retirement
42 under a special plan in this section may transfer to
43 a position not under such special plan and accrue ad-

1 ditional creditable service. Upon retirement, the
2 portion of the member's retirement allowance based
3 upon creditable service earned after being trans-
4 ferred shall be subject to reduction under subsection
5 3 and, if applicable, the benefit based upon credit-
6 able service earned before being transferred shall be
7 subject to reduction under subsection 4, paragraphs G
8 and H. This subsection shall also be applicable to a
9 person who retires under a special plan and is subse-
10 quently restored to service in accordance with sec-
11 tion 1123. For purposes of this subsection, a spe-
12 cial plan is the retirement program in any of the
13 following: Subsection 1, paragraphs C, D and E or
14 subsection 4, paragraph A, as it relates to employees
15 of the State and paragraphs C, D, F, G and H. The
16 computation of the retirement allowance shall be
17 based upon the member's average final compensation as
18 defined in section 1001, subsection 3.

19

FISCAL NOTE

20 By reducing the level of the state's contribu-
21 tions required to fund prospective retirement benef-
22 its for various groups of state employees hired af-
23 ter August 31, 1984, this new draft will result in
24 substantial future savings to the State.

25

STATEMENT OF FACT

26 This new draft provides that, except for members
27 of the State Police and Maine State Prison personnel,
28 all employees hired into state service after August
29 31, 1984, may retire at age 60 or after 25 years of
30 creditable service. The bill eliminates special or
31 early retirement plans for prospective employees
32 hired as marine patrol officers, game wardens, forest
33 rangers, state airplane pilots and liquor inspectors.
34 No current state employee is affected.

35 State Police and certain Maine State Prison per-
36 sonnel employed after August 31, 1984, may retire af-
37 ter completion of 25 years of service and the attain-
38 ment of age 55. The benefit is calculated the same
39 as for regular employees. Retirement before 55 with

1 25-years of service is possible at a reduced benefit.

2 Prospective elimination of special retirement
3 plans will make the Maine State Retirement System
4 both more cost effective and more equitable. Based
5 on 1982 figures, current special retirement plans
6 cost the State between approximately 20% and 35% of
7 the gross payroll for covered groups of employees.
8 As employees under special plans retire, the cost
9 measured as overall percentage of gross payroll will
10 decline to approximately 15% of gross payroll. Cost
11 savings, although realized gradually rather than im-
12 mediately, will be substantial. Finally, raising the
13 minimum retirement age for state employees is con-
14 sistent with national trends in the public and pri-
15 vate sectors.

16 The bill also provides that an employee who has
17 met the service requirements for retirement under a
18 special plan may transfer to a position under the
19 regular retirement plan without reduction of special
20 retirement benefits.

21

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