

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 555

7 H.P. 402

House of Representatives, February 14, 1985

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

10 EDWIN H. PERT, Clerk

Presented by Representative McSweeney of Old Orchard Beach.

11 Cosponsored by Senator Gauvreau of Androscoggin, Representative
Stevenson of Unity and Representative Farnum of South Berwick.

12 STATE OF MAINE
13

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

17 AN ACT Permitting Addresses to be Obtained
18 from State Tax Information and Used
19 for the Proper Operation of the Maine
20 State Retirement System.
21

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

24 Sec. 1. 36 MRSA §191, sub-§2, ¶I, as amended by
25 PL 1981, c. 504, §1, is further amended to read:

26 I. The disclosure of information acquired pursu-
27 ant to Part 2; ~~and~~

28 Sec. 2. 36 MRSA §191, sub-§2, ¶J, as enacted by
29 PL 1981, c. 504, §2, is amended to read:

30 J. The disclosure to a state agency seeking set-
31 off of a liquidated debt against a tax refund
32 pursuant to section 5276-A of information neces-
33 sary to effectuate the intent of that section;
34 and

1 Sec. 3. 36 MRSA §191, sub-§2, ¶K is enacted to
2 read:

3 K. The disclosure of addresses to the Maine
4 State Retirement System when requested by its
5 board of trustees of persons identified by the
6 Executive Director of the Maine State Retirement
7 System to assist that board in the proper opera-
8 tion of the Maine State Retirement System and the
9 executive director in fulfilling the executive
10 director's administrative responsibility in re-
11 spect to the Maine State Retirement System.

12 STATEMENT OF FACT

13 The Maine State Retirement System has 24,000 in-
14 active accounts in its files. There are 3 types of
15 accounts: Small accounts representing brief periods
16 of employment and upon which the system may be paying
17 no interest; accounts of persons who are vested under
18 the Maine State Retirement System and who are waiting
19 until normal retirement age to apply for benefits;
20 and accounts of persons eligible for retirement, but
21 who are unaware that they must apply for retirement.
22 The system has no addresses for the owners of these
23 accounts and proposes to use addresses available
24 through the Bureau of Taxation in order to locate
25 these persons. The system is seeking to notify owners
26 of inactive accounts that they have funds on deposit
27 with the Maine State Retirement System and, in many
28 instances, offering them an opportunity to benefit
29 financially from this knowledge. There are tax bene-
30 fits to the State in allowing the Maine State Retire-
31 ment System to contact these account holders. Per-
32 sons withdrawing funds would pay taxes on any accrued
33 interest and retirees would pay state income taxes on
34 retirement allowances.

35 In cleaning files, the system found the file of
36 Alexander T. Andrews who worked at Pineland from No-
37 vember 1953 until early 1967. If alive, Mr. Andrews
38 is about 66 years old. In 1973, Mr. Andrews con-
39 tacted the retirement system and inquired as to his
40 benefits. The Maine State Retirement System has never
41 heard from Mr. Andrews since. Today there is \$14,385

1 in this account. The retirement system cannot find
2 Mr. Andrews. If alive, Mr. Andrews would be receiv-
3 ing a retirement allowance upon which taxes would be
4 paid to the State. Alternatively, he or his benefi-
5 ciary could take a lump-sum refund and pay taxes to
6 the State on the accrued interest.

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