

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 1246

6
7 S.P. 443

In Senate, April 4, 1985

8 Referred to the Committee on Aging, Retirement and Veterans. Sent
9 down for concurrence and ordered printed.

10 JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator Clark of Cumberland.

11 Cosponsored by Senator Gauvreau of Androscoggin, Representative
Hickey of Augusta and Representative Perry of Mexico.

12 STATE OF MAINE
13

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

17 AN ACT to Recodify the Maine State Retirement
18 System Laws.
19

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

22 Sec. 1. 5 MRSA c. 101, as amended, is repealed.

23 Sec. 2. 5 MRSA c. 501 is enacted to read:

24 CHAPTER 501

25 STATE RETIREMENT SYSTEM

26 SUBCHAPTER I

27 GENERAL PROVISIONS

28 §17001. Definitions

29 As used in this chapter, unless the context oth-
30 erwise indicates, the following terms have the fol-
31 lowing meanings.

1 1. Accumulated contributions. "Accumulated con-
2 tributions" means the sum of all the amounts credited
3 to a member's individual account in the Members' Con-
4 tribution Fund, together with regular interest as
5 provided in section 17072, subsection 1.

6 2. Actuarial equivalent. "Actuarial equivalent"
7 means a benefit which is of equal value, when com-
8 puted at regular interest from the mortality and ser-
9 vice tables adopted by the board of trustees.

10 3. Actuary. "Actuary" means an individual, or
11 the members of a partnership or corporation, trained
12 or experienced in the statistical calculation of
13 risks for annuity, benefit or insurance purposes.

14 4. Average final compensation. "Average final
15 compensation" means a member's average annual rate of
16 earnable compensation during the 3 years of highest
17 compensation for creditable service as an employee,
18 not necessarily consecutive, or during the entire pe-
19 riod of creditable service, if the period is less
20 than 3 years.

21 5. Beneficiary. "Beneficiary" means any person
22 who receives or is designated to receive a benefit
23 provided by this chapter.

24 6. Board of trustees. "Board of trustees" means
25 the board empowered by section 17031 to administer
26 the retirement system.

27 7. Child or children. "Child" or "children"
28 means any unborn or unmarried born progeny of the
29 member who is under 18 years of age or under 22 years
30 of age and a full-time student, of any age and ad-
31 judged mentally incompetent by a court of the State
32 or certified by the medical board of the retirement
33 system as physically and permanently incapacitated
34 and determined by the executive director to be unable
35 to engage in any substantially gainful employment.
36 For the purposes of this chapter, legally-adopted
37 children shall be treated as natural born children.

38 8. Consumer Price Index. "Consumer Price Index"
39 means the Consumer Price Index for Urban Wage Earners
40 and Clerical Workers: United States City Average, all

1 items, 1967=100, as compiled by the Bureau of Labor
2 Statistics, United States Department of Labor. If
3 that index is revised or suspended, the Consumer
4 Price Index shall be the index represented by the Bu-
5 reau of Labor Statistics as most accurately reflect-
6 ing changes in the purchasing power of the dollar for
7 consumers.

8 9. Creditable service. "Creditable service"
9 means any period of employment, or any period of dis-
10 ability retirement, which is credited towards retire-
11 ment in accordance with subchapter IV.

12 10. Department. "Department" means any depart-
13 ment, board, commission, institution or agency of
14 State Government.

15 11. Earnable compensation. "Earnable compensa-
16 tion" means the actual compensation paid for actual
17 services rendered by an employee, including any main-
18 tenance and workers' compensation benefits.

19 Any compensation paid by an employer under an annuity
20 contract for the future benefit of an employee shall
21 be considered part of the earnable compensation.

22 Earnable compensation does not include payment for
23 more than 30 days of accumulated sick leave, unused
24 vacation leave or a combination of both, nor does it
25 include any other payment which is not compensation
26 for actual services rendered or which is not paid at
27 the time the services are rendered.

28 12. Employee. "Employee" means a public school
29 teacher or a classified or unclassified officer or
30 employee in a department. Persons serving during any
31 probationary period required under the Personnel Law
32 and rules of the Personnel Board are employees.

33 Justices of the Supreme Judicial Court, the Superior
34 Court and the District Court who are entitled to re-
35 retirement benefits under Title 4, chapters 27 and 29
36 and members of the State Police who are entitled to
37 retirement benefits under Title 25, chapter 195, are
38 not employees.

1 13. Executive body. "Executive body" means the
2 official or body of officials who have the general
3 powers and duties of administering, supervising and
4 managing the affairs of an organization or governmen-
5 tal unit.

6 14. Father. "Father" means a natural or adoptive
7 male parent or male stepparent.

8 15. Fiduciary. "Fiduciary" means a bank or a
9 professional investment manager.

10 16. Local district. "Local district" means:

11 A. Any county, municipality, quasi-municipal
12 corporation or incorporated instrumentality of
13 the State or of one or more of its political sub-
14 divisions;

15 B. Any incorporated association of employees of
16 the State or of a local district;

17 C. Any incorporated association of the local
18 districts;

19 D. Any entity which was eligible to become a
20 participating local district or which was partic-
21 ipating in the system prior to January 1, 1976;
22 or

23 E. Any educational institution in the State
24 which offers courses equivalent to or higher than
25 those offered in secondary institutions.

26 17. Member. "Member" means any employee included
27 in the membership of the retirement system, as de-
28 finied in section 18001.

29 18. Mother. "Mother" means a natural or adoptive
30 female parent or female stepparent.

31 19. Normal retirement age. "Normal retirement
32 age" means the specified age, the years of service
33 requirement or any combination of age and years of
34 service by which a member may become eligible for re-
35 irement benefits which are not subject to a reduc-
36 tion under section 19031, subsection 1, paragraph C
37 and section 19061, subsection 1, paragraph C.

1 This subsection shall not be construed to require the
2 mandatory retirement of a member or to deny employ-
3 ment to any person based solely on the normal retire-
4 ment age.

5 20. Out-of-state service. "Out-of-state service"
6 means service to any state, territory or possession
7 of the United States, except Maine, or of any politi-
8 cal division of that state, territory or possession.

9 21. Parent. "Parent" means mother or father.

10 22. Public school. "Public school" means:

11 A. Any public school conducted within the State
12 under the authority and supervision of a duly
13 elected board of education, superintending school
14 committee or school directors; or

15 B. Any school which received any direct state
16 aid in 1950 and municipal tuition funds amounting
17 to at least the amount of the state aid during
18 that same year.

19 For purposes of this chapter, Maine Wesleyan Seminary
20 and College, commonly known as Kents Hill School, as
21 of September 23, 1971, and Bridgton Academy, Gould
22 Academy and North Yarmouth Academy as of September 1,
23 1979, are not public schools.

24 23. Regular interest. "Regular interest" means
25 interest at the rate which the board of trustees sets
26 from time to time, in accordance with section 17071,
27 subsection 1, paragraph C.

28 24. Retirement. "Retirement" means the termina-
29 tion of membership service with a retirement allow-
30 ance granted under this chapter.

31 25. Service. "Service" means service as an em-
32 ployee for which compensation is paid.

33 26. Spouse. "Spouse" means a person of the oppo-
34 site sex, either married to or divorced from the mem-
35 ber, in that order.

1 27. Teacher. "Teacher" means any teacher, prin-
2 cipal, supervisor, school nurse, school dietitian,
3 school secretary or superintendent employed in any
4 public school, including teachers in the unorganized
5 territory.

6 §17002. Name, purpose and date of establishment

7 The board of trustees shall administer a retire-
8 ment system, known as the "Maine State Retirement
9 System," which shall have the powers and privileges
10 of a corporation.

11 The retirement system's purpose is to provide re-
12 irement allowances and other benefits under this
13 chapter for employees of the State.

14 The date of establishment of the retirement sys-
15 tem is:

16 1. July 1, 1942. July 1, 1942, for all employees
17 who were eligible for the Maine Revised Statutes of
18 1944, chapter 60;

19 2. July 1, 1947. July 1, 1947, for all employees
20 who were eligible for the Maine Revised Statutes of
21 1944, chapter 37, sections 212 to 241;

22 3. First period of employment. July 1, 1947, for
23 all employees whose first period of employment was
24 after that date; or

25 4. All others. For all others, the date on which
26 they first made contributions to any retirement sys-
27 tem supported in whole or in part by the State.

28 §17003. Exemption from taxation and execution

29 A person's right to a retirement allowance or the
30 return of contributions, the retirement allowance it-
31 self, any optional benefit or death benefit, or any
32 other right accrued or accruing to any person under
33 this chapter and the moneys in the various funds cre-
34 ated under this chapter, shall be exempt from any
35 state, county or municipal tax and shall not be sub-
36 ject to execution, garnishment, attachment or other
37 process. These rights shall be unassignable, except
38 as provided by this chapter.

1 A member's retirement allowance shall be availa-
2 ble to satisfy any child support obligation which is
3 otherwise enforceable by execution, garnishment, at-
4 achment, assignment or other process. A member's ac-
5 cumulated contributions which are refundable under
6 sections 18063 or 18093 shall be available to satisfy
7 any child support obligation which is otherwise en-
8 forceable by execution, garnishment, attachment, as-
9 signment or other process.

10 §17004. Effect on accrued benefits

11 Amendment of this chapter shall not reduce the
12 amount of benefits which would be due to the member
13 based on creditable service, compensation, employee
14 contributions and provisions of this chapter on the
15 date immediately preceding the effective date of the
16 amendment.

17 §17005. Mandatory retirement age prohibited

18 1. Legislative findings and intent. The Legisla-
19 ture finds that many older Maine citizens are forced
20 out of the work force solely because of their age.
21 The Legislature further finds that many older Maine
22 citizens who have been forced out of the work force
23 are fully capable of carrying out the duties and re-
24 sponsibilities required by their employment. Finally,
25 the Legislature finds that many older Maine citizens,
26 because of their years of experience, can make valu-
27 able contributions to the work force.

28 It is the intent of the Legislature that discrimina-
29 tion based on age, against any person who seeks em-
30 ployment in the public sector or who is already em-
31 ployed by a public employer, shall not be tolerated.
32 It is further the intent of the Legislature to ensure
33 that any older person who seeks or wishes to continue
34 employment in the public sector and who is capable of
35 fulfilling the duties and responsibilities of that
36 employment shall be treated like any other person
37 who seeks or wishes to continue that employment.

38 It is the clear and unequivocal intent of the Legis-
39 lature to prohibit employers in the public sector
40 from requiring employees to retire at a specified age
41 or after completion of a specified number of years of
42 service.

1 2. Prohibition. No employee may be required, as
2 a condition of employment, to retire at or before a
3 specified age or after completion of a specified num-
4 ber of years of service.

5 3. Criteria and standards. A department or pub-
6 lic school may establish reasonable criteria and
7 standards of job performance to be used to determine
8 when the employment of its employees should be termi-
9 nated. These criteria and standards shall be consist-
10 ent for all employees in the same or similar job
11 classifications, shall be applied fairly to all em-
12 ployees regardless of age and shall be consistent
13 with the provisions of the Maine Human Rights Act re-
14 lating to the employment of physically and mentally
15 handicapped persons.

16 Where there is a certified bargaining agent, the es-
17 tablishment of these criteria and standards may be a
18 subject of collective bargaining.

19 4. Normal retirement age. This section shall not
20 be construed to prohibit the use of a normal retire-
21 ment age, as defined in section 17001, subsection 19,
22 provided that normal retirement age and the accrual
23 or awarding of pension or retirement benefits shall
24 not be used in any way to require the retirement of
25 an employee or to deny employment to a person.

26 5. Federal requirements. This section shall not
27 be construed to affect or limit any power or duty re-
28 lating to pension or retirement plans which the Fed-
29 eral Government reserves to itself.

30 6. Participating local districts. This section
31 shall apply to participating local districts.

32 §17006. Limitation on membership

33 No other law which provides for retirement bene-
34 fits for employees of the State, their widows,
35 widowers or other dependents wholly or partly at the
36 expense of the State or any of its subdivisions, may
37 apply to members or beneficiaries of the retirement
38 system or to their widows, widowers or other depen-
39 dents.

1 §17007. Protection against fraud

2 Whenever the executive director determines that a
3 fraud, attempted fraud or a violation of law in con-
4 nection with funds administered by the retirement
5 system may have occurred, he shall report in writing
6 all information concerning that fraud or violation to
7 the Attorney General or his delegate for such action
8 as he may deem appropriate, including civil action
9 for recovery of funds and criminal prosecution by the
10 Attorney General. The executive director shall, upon
11 request of the Attorney General and in the manner he
12 deems appropriate, assist in the recovery of funds.

13 SUBCHAPTER II

14 ADMINISTRATION

15 §17031. Board of trustees

16 The board of trustees shall be responsible for
17 the proper operation and implementation of the re-
18 irement system.

19 1. Composition. The board shall be composed of
20 the following 8 members:

21 A. The Treasurer of State, ex officio, as a non-
22 voting member or his designee, the Deputy Trea-
23 surer of State;

24 B. One person elected by the Maine State Employ-
25 ees' Association;

26 C. One person elected by the Maine State Teach-
27 ers' Association;

28 D. Three persons appointed by the Governor, sub-
29 ject to review by the joint standing committee of
30 the Legislature having jurisdiction over aging,
31 retirement and veterans and to confirmation by
32 the Legislature, at least 2 of whom shall be
33 qualified through training or experience in the
34 field of investments, accounting, banking, insur-
35 ance or law and one who shall be selected from a
36 list of 3 nominees submitted by the Maine Retired
37 Teachers' Association;

1 E. One person who is a member of the Maine State
2 Retirement System from a participating local dis-
3 trict, who shall be appointed by the governing
4 body of the Maine Municipal Association; and

5 F. One person who is a recipient of a retirement
6 allowance from the Maine State Retirement System,
7 who shall be selected by the other members of the
8 board from a list or lists of nominees submitted
9 by retired state employees and retired participa-
10 ting local district employees, or by a committee
11 composed of representatives of those groups.

12 2. Term of trustees. Each member of the board,
13 except the Treasurer of State, shall serve a term of
14 3 years. A trustee shall continue to serve after the
15 expiration of his term until his successor is ap-
16 pointed and qualified, but the term of his successor
17 shall date from the expiration of the first member's
18 term, regardless of when the successor is appointed.
19 Appointments to any vacancy caused by death, resigna-
20 tion or ineligibility shall be for the unexpired por-
21 tion of the term.

22 3. Chairman. The board shall elect a chairman
23 from its membership.

24 4. Meetings; quorum. The board shall meet at
25 least once each month for the transaction of any
26 business which properly comes before it. Four trust-
27 ees shall constitute a quorum for the transaction of
28 any business and 4 votes shall be necessary for any
29 resolution or action by the board.

30 5. Expenses. The trustees shall be compensated,
31 as provided in chapter 379, from the funds of the re-
32 irement system.

33 6. Oath. Each trustee, within 10 days after his
34 appointment or election, shall take an oath, in the
35 form prescribed by the Constitution of Maine, to dis-
36 charge faithfully the duties of a trustee. This oath
37 shall be subscribed by the trustee making it and cer-
38 tified by the officer before whom it was taken and
39 immediately filed in the office of the Secretary of
40 State.

1 7. Legal adviser. The Attorney General or an as-
2 stant designated by him shall be legal adviser to
3 the board.

4 §17032. Duties of the board

5 The duties of the board are as follows.

6 1. Supervision. The board shall formulate poli-
7 cies and shall have general supervisory authority
8 over the retirement system. It shall transact all
9 business, invest all funds and hold in trust all of
10 the cash, securities and other property for the pur-
11 pose for which they were given, in the name of the
12 retirement system. It shall make the final decision
13 on all matters pertaining to administration, actuarial
14 recommendations, reserves and investments. It
15 shall adopt actuarial assumptions, including mortali-
16 ty and service tables.

17 2. Executive director. The board shall appoint
18 the executive director and set his salary.

19 3. Annual report. The board shall publish annu-
20 ally a report showing the fiscal transactions of the
21 retirement system during the preceding fiscal year
22 and the assets and liabilities of the system at the
23 end of that fiscal year. It shall also publish the
24 actuary's report on the actuarial valuation of the
25 financial condition of the system for that fiscal
26 year.

27 4. Medical board. The board shall designate a
28 medical board to be composed of 3 physicians not eli-
29 gible to participate in the retirement system. The
30 medical board shall arrange for and review the re-
31 sults of all medical examinations required under this
32 chapter with respect to disability retirements. The
33 medical board shall report to the executive director
34 in writing its conclusions and recommendations on
35 these examinations and on any other matters referred
36 to it. If required, other physicians may be employed
37 to report on special cases.

38 5. Legislative duties. The board shall have the
39 following legislative duties.

1 A. All amendments to this chapter shall be re-
2 viewed by the board, which shall report to the
3 joint standing committee of the Legislature hav-
4 ing jurisdiction over aging, retirement and vet-
5 erans on the impact of each amendment on the re-
6 irement system. This report shall assess the
7 amendment's purposes, its funding, its consisten-
8 cy with other provisions of this chapter, its
9 value to the system and whether it results in eq-
10 uitable treatment of members. The board shall al-
11 so request the actuary and the Commissioner of
12 Personnel to evaluate the amendment and these
13 evaluations shall be included with the board's
14 report.

15 B. All special resolves or other legislation
16 which propose to grant benefits to any person
17 from the retirement system, to which the person
18 would not otherwise be entitled under this chap-
19 ter, shall be reviewed by the board in the manner
20 provided by paragraph A.

21 C. The board shall make a written report to the
22 joint standing committee of the Legislature hav-
23 ing jurisdiction over aging, retirement and vet-
24 erans on or before the 15th of January of each
25 year. This report shall contain a discussion of
26 any areas of policy or administration which, in
27 the opinion of the board, should be brought to
28 the attention of the committee and any legisla-
29 tion recommended by the board.

30 6. Investment duties. The board shall have the
31 following investment duties.

32 A. The board shall employ a fiduciary or fiduci-
33 aries located in New England or New York City for
34 investment purposes. It may also employ other in-
35 vestment counsel or advisors, as well as other
36 expert professionals or other assistance neces-
37 sary or appropriate in carrying out its func-
38 tions.

39 The board shall have the power to enter into a
40 contract with the fiduciary to carry out the in-
41 vestment functions of the board. Under the terms
42 of the contract, the fiduciary may be authorized

1 to have custody of any or all of the assets be-
2 longing to any fund of the retirement system and
3 to invest and reinvest the funds of the system at
4 its discretion, consistent with the investment
5 policy of the board. The contract shall be ap-
6 proved by the Governor. The fiduciary shall re-
7 port to the board at least quarterly on its in-
8 vestments. The expenses incurred in employing a
9 fiduciary and other investment counsel or advi-
10 sors shall be charged to investment earnings.

11 B. The board shall have the power to enter into
12 a contract with any national bank, trust company
13 or safe deposit company located in New England or
14 New York City for custodial care and servicing of
15 the negotiable securities belonging to the re-
16 tirement system and not held by the fiduciary un-
17 der paragraph A.

18 These services shall consist of the safekeeping
19 of the securities, preparation of coupons for
20 collection, the actual collection of the coupons,
21 periodic checks of the portfolio deposited for
22 safekeeping to determine all calls for redemp-
23 tion, in whole or in part, of any bonds, and any
24 other fiscal service which is normally covered in
25 a custodial contract. In performing services un-
26 der this contract, the national bank, trust com-
27 pany or safe deposit company designated as the
28 custodian shall have all of the powers and duties
29 prescribed for trust companies by Title 9-B, sec-
30 tion 623.

31 The board is empowered to arrange for payment for
32 these services either by cash payments to be
33 charged pro rata to the income of the several
34 funds of the system, or by an agreement for a
35 compensating deposit balance with the custodian,
36 in lieu of cash payment, or by some combination
37 of both methods of payment. The custodian shall
38 give assurance of proper safeguards which are
39 usual to those contracts and shall furnish insur-
40 ance protection satisfactory to both parties.

41 All contracts or agreements entered into between
42 the board and the custodian selected by it shall
43 be approved by the Governor.

1 §17033. Executive director

2 The executive director shall have administrative
3 responsibility for the system.

4 1. Approval of benefits. The executive director
5 shall approve the payment of all benefits under this
6 chapter.

7 2. Staff. The executive director shall engage
8 the employees necessary to transact the business of
9 the system. Those employees shall be considered em-
10 ployees of the State, shall be subject to all the
11 provisions of law regarding state employees and shall
12 be employed under the rules of the Department of Per-
13 sonnel for state employees in similar capacities. The
14 staff shall include employees qualified to administer
15 the payment of disability benefits under the retire-
16 ment system and to investigate applications for dis-
17 ability retirement benefits, or the board shall au-
18 thorize contracts for professional services for dis-
19 ability administration and investigation.

20 3. Record keeping. The executive director shall
21 keep in convenient form the data necessary for actu-
22 arial valuation of the various funds of the retire-
23 ment system and for checking the experience of the
24 system.

25 Upon request from the executive director, the head of
26 any department shall promptly furnish him with any
27 information required to effectuate this chapter.

28 Whenever the executive director finds it impossible
29 or impracticable to consult an original record to de-
30 termine the date of birth, length of service, amount
31 of compensation or other pertinent fact with regard
32 to any member, he may, subject to the approval of the
33 actuary, use estimates which in his judgment are fair
34 and just.

35 4. Error in records. Upon discovery of any error
36 in any record, the executive director shall, as far
37 as practicable, correct the record. If, as a result
38 of any such error, any member or beneficiary receives
39 more or less than he would have been entitled to re-
40 ceive had the records been correct, payment shall be

1 adjusted, as far as practicable, so that the member
2 or beneficiary will receive the actuarial equivalent
3 of the benefit to which he is entitled.

4 5. Securities transactions. The executive direc-
5 tor, or another person or persons designated to the
6 custodian of the system's securities by the board,
7 may withdraw or deposit securities from or with the
8 custodian as circumstances may require. All withdraw-
9 als or delivery instructions shall bear the written
10 approval of 2 other persons duly authorized by a res-
11 olution of the board.

12 §17034. Actuary

13 1. Appointment. The board shall designate an ac-
14 tuary or actuarial firm. If the designee is a firm,
15 the firm shall designate one of its members to per-
16 form the functions required of the actuary under this
17 chapter. In either case, the designated individual
18 shall be a Fellow of the Society of Actuaries.

19 2. Duties. The duties of the actuary are as fol-
20 lows.

21 A. The actuary shall be the technical advisor to
22 the board on the operation of the funds created
23 by this chapter and shall perform any other du-
24 ties required in connection with the operation.
25 He shall certify the amounts of benefits payable
26 under this chapter, except for benefits payable
27 under subchapter VII.

28 B. The actuary shall make annual valuations of
29 the assets and liabilities of the retirement sys-
30 tem on the basis of the actuarial assumptions
31 adopted by the board and shall furnish a written
32 report on each valuation to the board. Each re-
33 port shall also include an analysis of the year's
34 operations and the results shall be separated in-
35 to those applicable to benefits payable by em-
36 ployer contributions and employee contributions,
37 where properly determinable.

38 C. The actuary shall determine the actuarial as-
39 sumptions to be recommended to the board for
40 adoption. He shall make necessary investigations

1 of the experience of the system as to the factors
2 which affect the cost of the benefits provided by
3 the retirement system. His investigations shall
4 be made as frequently as he considers expedient
5 but at least once in a 3-year period following
6 January 1, 1976.

7 D. The actuary shall determine the equivalent
8 cash compensation value of the benefits provided
9 to the members of the system and shall furnish
10 that information to the Commissioner of Person-
11 nel.

12 §17035. Administrative procedures

13 1. Appeal from executive director's decision.
14 Any person aggrieved by a decision of the executive
15 director shall have the right to appeal the decision
16 to the board. The appeal shall be in writing and
17 shall be made within 30 days after written notice of
18 the executive director's decision.

19 2. Decisions of the board. On appeal from a de-
20 cision of the executive director, the board may in-
21 vestigate and consider all issues of fact or law, in-
22 cluding the reasons for the executive director's de-
23 cision. The board shall decide the appeal within 90
24 days of receiving the application for appeal. All de-
25 isions of the board affecting the rights of an indi-
26 vidual member or group of members shall be subject to
27 the requirements of the Maine Administrative Proce-
28 dure Act, chapter 375, subchapter IV.

29 3. Appeal from decisions of the board. Any per-
30 son aggrieved by a decision of the board under sub-
31 section 2 shall be entitled to judicial review of
32 that decision in accordance with the Maine Adminis-
33 trative Procedure Act, chapter 375, subchapter VII.

34 4. Record. The board shall keep a record of all
35 its proceedings which shall comply with the Maine Ad-
36 ministrative Procedure Act, section 8056, subsection
37 5 and sections 9059 and 9061.

38 5. Rules. Subject to the limitations of this
39 chapter and the requirements of the Maine Administra-
40 tive Procedure Act, chapter 375, subchapter II, the

1 board shall establish rules for the administration of
2 the funds created by this chapter and for the trans-
3 action of its business.

4 §17036. Participating local districts

5 1. Acceptance of provisions. A participating local
6 district may accept all or part of the provisions
7 of this chapter, including subsequent amendments. Ac-
8 ceptance shall be accomplished by a majority vote of
9 the executive body or, for a town which has a town
10 meeting form of government, by the voters of the town
11 at a town meeting. The executive body of the dis-
12 trict, or its designee, shall certify the results of
13 the vote to the board setting forth the provisions or
14 amendments of this chapter which are accepted. A par-
15 ticipating local district may elect to retain all or
16 part of the provisions of the retirement law which it
17 accepted at the time of the original agreement, in-
18 cluding charges subsequently accepted by the dis-
19 trict. A participating local district shall be enti-
20 tled to a revaluation to determine the cost of any
21 provisions or amendments which it adopts. The expense
22 of that revaluation shall be assessed to and paid by
23 the participating local district.

24 2. Withdrawal. Withdrawal from the system is as
25 follows.

26 A. Any participating local district may withdraw
27 from further participation in the system upon the
28 terms and conditions of this subsection.

29 B. The withdrawal may be accomplished by a ma-
30 jority vote of the executive body or, for a town
31 which has a town meeting form of government, by
32 the voters of the town at a town meeting. The ex-
33 ecutive body of the district, or its designee,
34 shall certify the results of the vote to the
35 board. The withdrawal shall become effective on
36 the last day of the month following the month in
37 which the certified notice is received by the
38 board.

39 C. Any employee of the district who has made
40 contributions to the system may withdraw the con-
41 tributions in the manner provided by section
42 18093.

1 D. Withdrawal from the system shall have the
2 following effect.

3 (1) Any employee of the agency who with-
4 draws his contribution or any person who be-
5 gins employment after the effective date of
6 withdrawal of the entity from the system may
7 not be a participant in the retirement sys-
8 tem as an employee of the same entity.

9 (2) The district shall continue to be a
10 participating local district for those
11 former employees who are receiving retire-
12 ment allowances or who are eligible for re-
13 tirement benefits and all employees who have
14 not withdrawn their contributions from the
15 system. No entity which has withdrawn from
16 the system, in the manner provided by this
17 section, may amend the provisions of its re-
18 tirement plan, except as provided in para-
19 graph E. For the purposes of this subsec-
20 tion, those employees remaining in the sys-
21 tem are subject to this chapter.

22 E. Any amendments to this chapter which take ef-
23 fect subsequent to the effective date of with-
24 drawal of a participating local district may be
25 accepted by that district for those employees who
26 have remained in the system.

27 5. Notification of changes. The executive direc-
28 tor shall cause to be delivered a written notice to
29 each participating local district, setting forth the
30 amendments to this chapter. The Executive Director of
31 the Maine State Retirement System shall require from
32 each participating local district an acknowledgment
33 of receipt of the changes.

34 SUBCHAPTER III

35 FINANCING

36 §17071. Control of funds

37 1. Board of trustees. The board of trustees
38 shall be trustee of the several funds created by this
39 chapter and shall have the following powers and du-
40 ties.

1 A. The board may cause the funds to be invested
2 and reinvested in accordance with the prudent man
3 rule and shall approve the investment program pe-
4 riodically.

5 B. The board may apply any funds derived from
6 investments, including profits on the sale of in-
7 vestments, which they consider to be in excess of
8 actuarial requirements for the proper funding of
9 the reserves, to reduce or eliminate the contri-
10 butions either the members, the employers, or
11 both, are required to make to the Survivors' Ben-
12 efit Fund. The board may distribute these funds
13 by resolution and in a manner that they deem fair
14 and equitable to both the members and the employ-
15 ers.

16 C. The board shall from time to time set the
17 rate of regular interest at the annually computed
18 percentage rate that they determine is equitable
19 to both the members and the taxpayers of the
20 State.

21 2. Treasurer of State custodian; payments. Ex-
22 cept as otherwise provided, the Treasurer of State is
23 the custodian of the several funds of the retirement
24 system. Upon receipt of vouchers signed by a person
25 or persons designated by the board, the State Con-
26 troller shall draw a warrant on the Treasurer of
27 State for the amount authorized by the voucher. A du-
28 ly attested copy of the resolution of the board des-
29 ignating those persons and bearing on its face their
30 specimen signatures shall be filed with the State
31 Controller as his authority for making payments upon
32 the vouchers.

33 3. Available cash. For the purpose of meeting
34 disbursements for retirement allowances and other
35 payments, cash, not exceeding 10% of the total amount
36 in the several funds of the retirement system, shall
37 be kept available on deposit in one or more banks or
38 trust companies in the State organized under the laws
39 of the State or of the United States. The sum on de-
40 posit in any one bank or trust company may not exceed
41 25% of the paid-up capital and surplus of that bank
42 or trust company.

1 4. Trustees and employees; financial dealings.
2 Except as otherwise provided, and in addition to the
3 limitations of section 18, no trustee or employee of
4 the board may:

5 A. Have any direct interest in the gains or
6 profits of any investment made by the board;

7 B. Directly or indirectly, for himself or as an
8 agent, use in any manner the gains or profits,
9 except to make any current and necessary payments
10 authorized by the board; or

11 C. Become an endorser or surety or, in any man-
12 ner, an obligor for money loaned to or loaned by
13 the board.

14 §17072. Funds of the system

15 All of the assets of the retirement system shall
16 be credited according to the purpose for which they
17 are held, among the funds described in this section.
18 On the advice of the actuary of the system, the board
19 may eliminate or combine all or any parts of the
20 funds described in this section, provided the elimi-
21 nation or combination will not impair the actuarial
22 valuations.

23 1. Members' Contribution Fund. The Members' Con-
24 tribution Fund is the fund in which contributions de-
25 ducted from the compensation of members shall be ac-
26 cumulated.

27 A. These amounts shall be deducted, paid into
28 the Members' Contribution Fund and credited to
29 the individual account of the member from whose
30 compensation they were deducted, as follows.

31 (1) The board shall certify to the head of
32 each department the proportion of earnable
33 compensation of each member that is to be
34 deducted.

35 (2) The head of each department shall cer-
36 tify the amounts deducted to the board from
37 each payroll. The head of each department
38 shall cause the certified amount to be de-

1 ducted from the compensation of members on
2 each payroll of that department for each
3 payroll period.

4 (3) The board may, in determining the
5 amount earnable by a member in a payroll pe-
6 riod, consider the annual rate of earnable
7 compensation payable to that member on the
8 first day of the payroll period as continu-
9 ing through that payroll period.

10 (4) The board may omit deductions from com-
11 penensation for any period less than a full
12 payroll period, if an employee was not a
13 member on the first day of the payroll peri-
14 od; and

15 (5) The board may, to facilitate the making
16 of deductions, modify a member's deduction
17 by an amount not exceeding 1/10 of 10% of
18 the annual earnable compensation used to de-
19 termine the deduction.

20 B. Deductions shall be made even if they reduce
21 the compensation below the minimum provided by
22 law. Every member is considered to consent and
23 agree to the deductions. The payment of compensa-
24 tion to a member, less the deductions, shall be
25 a complete acquittance of all claims and demands
26 for the services rendered by the member during
27 the period covered by the payment, except for
28 claims to benefits under this chapter.

29 C. Disbursements from the Members' Contribution
30 Fund shall be made as follows.

31 (1) The contributions of a member, and any
32 interest allowed on those contributions,
33 which are withdrawn by him or paid to his
34 estate or to his designated beneficiary,
35 shall be paid from the Members' Contribution
36 Fund. Any accumulated interest not paid in
37 that manner shall be transferred to the Re-
38 tirement Allowance Fund.

39 (2) When a member retires, his accumulated
40 contributions shall be transferred from the

1 Members' Contribution Fund to the Retirement
2 Allowance Fund.

3 (3) If a member dies before becoming eligi-
4 ble for retirement, and if benefits become
5 payable under section 19035, subsection 1,
6 paragraph B, his accumulated contributions
7 shall be transferred from the Members' Con-
8 tribution Fund to the Survivors' Benefit
9 Fund.

10 (4) When a beneficiary is restored to mem-
11 bership, the difference between the amount
12 of accumulated contributions originally
13 credited to the Retirement Allowance Fund
14 and the portion of the total retirement al-
15 lowance payments made to him, which is the
16 actuarial equivalent of those accumulated
17 contributions, shall be transferred to the
18 Members' Contribution Fund and credited to
19 his individual account.

20 D. The executive director shall furnish to each
21 member, upon request, a statement showing the
22 amount of accumulated contributions credited to
23 the member's individual account in the Members'
24 Contribution Fund.

25 E. The State, through a collective bargaining
26 contract, may agree to provide for a member's
27 mandatory contribution under section 18062 in-
28 stead of deducting the contribution from a
29 member's compensation. Payments made under a col-
30 lective bargaining contract shall be accumulated
31 in the Retirement Allowance Fund. Payments shall
32 be made in the same manner and on the same basis
33 as contributions deducted from the member's com-
34 ensation under paragraph A. Contributions made
35 by the State on behalf of a member under this
36 paragraph shall not be refunded in the event of
37 withdrawal from membership, termination of ser-
38 vice or death.

39 2. Retirement Allowance Fund. The Retirement Al-
40 lowance Fund is the fund in which the employer con-
41 tributions shall be accumulated. All reserves re-
42 quired for the payment of benefits under this chapter

1 are accumulated in the Retirement Allowance Fund, ex-
2 cept for reserves in the Survivors' Benefit Fund.

3 A. All benefits payable under this chapter shall
4 be paid from the Retirement Allowance Fund, un-
5 less they are payable from the Survivors' Benefit
6 Fund or unless otherwise provided for in this
7 chapter.

8 B. All interest and dividends earned on the
9 funds of the retirement system shall be credited
10 to the Retirement Allowance Fund, subject to the
11 following provisions.

12 (1) Annually, the board shall allow regular
13 interest on the individual accounts of mem-
14 bers in the Members' Contribution Fund and
15 shall transfer that interest from the Re-
16 retirement Allowance Fund to the Members' Con-
17 tribution Fund.

18 (2) Annually, the board shall allow regular
19 interest on the mean amount accumulated in
20 the Survivors' Benefit Fund and shall trans-
21 fer that interest from the Retirement Allow-
22 ance Fund to the Survivors' Benefit Fund.

23 C. If, in accordance with section 19035, subsec-
24 tion 3, a designated beneficiary elects to re-
25 ceive the benefits under section 19035, subsec-
26 tion 1, paragraph B, there shall be transferred
27 from the Retirement Allowance Fund to the Surviv-
28 ors' Benefit Fund the amount of reserve actuari-
29 ally determined, less the amount transferred pur-
30 suant to section 17072, subsection 1, paragraph
31 C, subparagraph (3) for the retirement allowance
32 under section 19035, subsection 3.

33 3. Survivors' Benefit Fund. The Survivors' Bene-
34 fit Fund is the fund in which shall be accumulated
35 all reserves required for the payment of survivors'
36 benefits as set forth in section 19035, subsection 1,
37 section 19063, subsection 1 and section 19064.

38 A. On account of each member, the State shall
39 annually pay into the Survivors' Benefit Fund, as
40 the survivors' contribution, an amount equal to a

1 certain percentage of the annual earnable compen-
2 sation of that member. That percentage shall be
3 fixed on the basis of the liabilities established
4 by section 19035, subsection 1, section 19063,
5 subsection 1 and section 19064, as shown by actu-
6 arial valuation.

7 B. All benefits payable under section 19035,
8 subsection 1, section 19063, subsection 1 and
9 section 19064, shall be paid from the Survivors'
10 Benefit Fund, unless otherwise provided.

11 4. Expense Fund. All money provided by the State
12 to pay the administrative expenses of the retirement
13 system shall be credited to the Expense Fund.

14 A. Biennially, the board shall estimate the
15 amount of money which they deem necessary to pro-
16 vide for the expenses of operation of the retire-
17 ment system during the ensuing biennium. The
18 State shall pay that amount, for that purpose,
19 into the Expense Fund.

20 B. All expenses necessary in connection with the
21 administration and operation of the retirement
22 system shall be paid from the Expense Fund.

23 C. Any unexpended balance does not lapse but
24 constitutes a continuous carrying account.

25 §17073. State contributions

26 State contributions to the funds created by this
27 subchapter shall comply with the following provi-
28 sions.

29 1. Budget estimates. The board shall submit bud-
30 get estimates to the State Budget Officer in accord-
31 ance with section 1665.

32 2. Employer costs. On each payroll from which
33 retirement contributions are deducted, the State Con-
34 troller shall cause a charge to be made to each de-
35 partment, agency or governmental unit of an amount or
36 amounts in payment of the employer costs of all
37 charges related to the retirement system, which shall
38 be credited to the appropriate fund created by this
39 subchapter.

1 3. Employer contribution rate. For state employ-
2 ees, other than public school teachers, the employer
3 contribution rate established in accordance with sec-
4 tion 18061 shall be applied to the total gross sala-
5 ries of members appearing on those payrolls and the
6 resultant charges shall be periodically credited to
7 the corresponding retirement fund.

8 4. Public school teachers. For public school
9 teachers, the employer contribution rate established
10 in accordance with section 18061 shall be applied to
11 the total gross salaries of members covering the most
12 recent school year preceding the preparation of the
13 biennial budget. The resultant amount shall be appro-
14 priated and credited to the appropriate retirement
15 fund, except that for teachers whose funding is pro-
16 vided from federal grants or through federal reim-
17 bursement, the employers' retirement costs related to
18 the retirement system shall be paid by local school
19 systems from those federal funds.

20 5. Funding. If any resolve or other legislation
21 is enacted by the Legislature which grants benefits
22 which are to be paid to any person by the retirement
23 system and to which the person would not otherwise be
24 entitled under the provisions of this chapter, the
25 entire actuarial costs of those benefits shall be
26 fully funded by the same Legislature which enacts the
27 resolve or legislation.

28 SUBCHAPTER IV

29 ARTICLE I

30 MEMBERSHIP OF STATE EMPLOYEES AND TEACHERS

31 §18001. State employee and teacher membership

32 Membership in the retirement system for state em-
33 ployees and teachers shall be as follows.

34 1. Employees. Every employee, except as provided
35 in subsections 2 and 3, shall be a member of the re-
36 irement system as a condition of employment and
37 shall not be entitled to receive a retirement allow-
38 ance under any other retirement provisions supported
39 wholly or in part by the State.

1 2. Elected or appointed officials. Membership
2 shall be optional for elected officials and any offi-
3 cial appointed for fixed terms.

4 3. Denial of membership to certain employees.
5 Membership may be denied to certain classes of em-
6 ployees. The board may deny membership to:

7 A. Any class of employees who are serving on a
8 temporary or other than yearly basis; or

9 B. Any class of employees whose compensation is
10 only partly paid by the State. This paragraph
11 shall not apply to teachers.

12 4. Employees who waived membership. Any employee
13 who elected not to become a member by filing a waiver
14 in accordance with the Maine Revised Statutes of
15 1944, chapter 60, section 3, may be admitted to mem-
16 bership at any time, upon application.

17 5. Cessation of membership. A member shall cease
18 to be a member when he:

19 A. Withdraws his contributions;

20 B. Becomes a beneficiary as a result of his own
21 retirement; or

22 C. Dies.

23 The head of each department and, for teachers, the
24 Commissioner of Educational and Cultural Services
25 shall submit to the board a statement showing the
26 name, title, compensation, sex, date of birth, length
27 of service and any other information regarding em-
28 ployees in his department which the board may re-
29 quire.

30 §18002. Creditable service

31 Creditable service for the purpose of determining
32 benefits under this chapter shall be allowed as fol-
33 lows.

34 1. Creditable service. All service of a member
35 for which contributions are made shall be allowed as
36 creditable service.

1 2. Disability retirement. The period during
2 which a beneficiary receives disability retirement
3 allowance payments under section 19033 shall be al-
4 lowed as creditable service.

5 3. Accumulated or accrued sick leave or unused
6 vacation leave. Accumulated or accrued sick leave or
7 unused vacation leave or any combination of both with
8 which a member is credited on termination of service
9 and for which the member does not receive payment,
10 shall be allowed as creditable service as follows:

11 A. Periods of up to 90 days shall be credited,
12 without additional contribution by the member;
13 and

14 B. Periods beyond 90 days up to the maximum per-
15 mitted without lapsing by contract or by person-
16 nel rules may be credited if:

17 (1) For state employees, the member, prior
18 to the date his retirement allowance becomes
19 effective, deposits in the Members' Contri-
20 bution Fund, by a single payment, an amount
21 equal to the actuarial equivalent, at the
22 effective date of his retirement allowance,
23 of the portion of his retirement allowance
24 based on the additional periods credited be-
25 yond 90 days; or

26 (2) For teachers, the member, or the school
27 administrative unit employing the member,
28 prior to the date his retirement allowance
29 becomes effective, deposits by a single pay-
30 ment, in the Members' Contribution Fund, an
31 amount equal to the actuarial equivalent, at
32 the effective date of his retirement allow-
33 ance, of the portion of his retirement al-
34 lowance based on the additional periods
35 credited beyond 90 days. The member and the
36 school administrative unit may determine, by
37 contract, the proportion of that amount to
38 be deposited by each.

39 4. Members of the Legislature and Executive
40 Council. Creditable service for members of the Legis-
41 lature and the Executive Council is as follows.

1 A. Any person who has served as a member of the
2 House of Representatives, the Senate or the Exec-
3 utive Council of the State is entitled to receive
4 the appropriate creditable service for that leg-
5 islative or Executive Council service, provided
6 appropriate payment has been made to the retire-
7 ment system.

8 B. A Legislator or Executive Council member who
9 is a member of the retirement system shall re-
10 ceive creditable service for the duration of his
11 term or until he officially resigns from the
12 House of Representatives, the Senate or the Exec-
13 utive Council. Any member of the retirement sys-
14 tem who is serving as a Legislator shall have de-
15 ductions taken from his salary at the same rate
16 as provided in subchapter V.

17 C. For purposes of eligibility to participate in
18 and receive benefits from the retirement system,
19 any person who is a member of the Legislature on
20 the 2nd day next preceding the first Wednesday in
21 December, 1980, shall be considered to be a mem-
22 ber of the Legislature through the day next pre-
23 ceding the first Wednesday after the first Tues-
24 day in January, 1981.

25 5. Prior service. Prior service shall be allowed
26 as creditable service as follows:

27 A. Service as a state employee prior to July 1,
28 1942; and

29 B. Service as a teacher while subject to the
30 Maine Revised Statutes of 1944, chapter 37, sec-
31 tions 212 to 241. Members formerly subject to the
32 Maine Revised Statutes of 1944, chapter 37, sec-
33 tions 221 to 241, shall only receive credit for
34 their service prior to attaining age 25 or during
35 the period from July 1, 1924 to July 1, 1930, if
36 they pay into the Members' Contribution Fund 5%
37 of the salary received during that service, ex-
38 cept that no payment for each year of service may
39 be less than \$20 or more than \$100.

40 6. Amount of service per year. The board shall
41 establish by rule how much service in any year is

1 equivalent to one year of creditable service subject
2 to the following conditions.

3 A. No credit may be allowed for a period of ab-
4 sence without pay of more than one month's dura-
5 tion from a full-time position.

6 B. No more than one year of service may be cred-
7 ited for all service in one calendar year.

8 C. Service rendered for the full normal working
9 time in any year shall be equivalent to one
10 year's service. For the purpose of determining
11 prior service credits, actual time worked in any
12 year shall be considered to be the normal working
13 time.

14 D. Any teacher who teaches a full accredited
15 year in an adult education program which has been
16 recognized by the Commissioner of Educational and
17 Cultural Services shall be allowed no more than a
18 half year of creditable service for each school
19 year so taught. Any period of time during which
20 an adult education program teacher teaches less
21 than a full year shall be allowed as creditable
22 service on a pro rata basis.

23 §18003. Additional creditable service

24 Additional creditable service may be purchased as
25 follows.

26 1. Public school teachers. Public school teach-
27 ers may purchase additional creditable service as
28 follows.

29 A. Up to 10 years of parochial school teaching
30 service or private or public academy teaching
31 service may be purchased if:

32 (1) The service was performed in a school
33 approved by the Department of Educational
34 and Cultural Services or the education de-
35 partment of any other state while the teach-
36 er held an appropriate teaching certificate;
37 and

1 (2) The teacher has at least 10 years of
2 service in Maine public schools.

3 B. Up to 2 years of service as a teacher outside
4 the continental limits of the United States in
5 Volunteers in Service to America, under the
6 Fulbright Exchange Program, in the Peace Corps.,
7 foreign or domestic or teaching children of the
8 United States Foreign Service Corps., may be pur-
9 chased if:

10 (1) The teacher left public school in Maine
11 for that service; and

12 (2) The teacher returned to active public
13 teaching service in Maine within one year of
14 completion of that service.

15 C. Service under this subsection may only be
16 creditable if the member, prior to the date his
17 retirement allowance becomes effective, deposits
18 in the Members' Contribution Fund by a single
19 payment or by an increased rate of contribution,
20 an amount which, together with regular interest,
21 will be the actuarial equivalent, at the effec-
22 tive date of his retirement allowance, of the
23 portion of his retirement allowance based on that
24 additional creditable service.

25 D. This subsection shall only apply to a member
26 who began service as a public school teacher pri-
27 or to January 1, 1976, and who either makes the
28 single payment deposit or completes the contribu-
29 tions at the increased rate prior to January 1,
30 1976, or within 30 days of first becoming eligi-
31 ble to purchase that service, if this date is la-
32 ter than January 1, 1976.

33 2. Out-of-state service. Any member may purchase
34 additional creditable service for out-of-state ser-
35 vice as follows.

36 A. Members with at least 20 years of service in
37 Maine may purchase out-of-state service provided
38 that the member, prior to the effective date of
39 his retirement allowance, makes contributions in-
40 to the Members' Contribution Fund for the years

1 of out-of-state service at the same rate as he
2 would have made contributions had that service
3 been in the State, including interest at 2%
4 greater than regular interest from the date of
5 his return to service to the date of payment and
6 subject to the following:

7 (1) If the member began to teach in the
8 public schools in Maine prior to July 1,
9 1924, the last 15 years of creditable ser-
10 vice prior to the date of retirement must be
11 in this State;

12 (2) If the member was formerly subject to
13 the Maine Revised Statutes of 1944, chapter
14 37, sections 221 to 241, the last 7 years of
15 creditable service prior to date of retire-
16 ment must be in this State;

17 (3) If the member is a public school teach-
18 er employed for the first time after July 1,
19 1947, the last 10 years of creditable ser-
20 vice prior to the date of retirement must be
21 in this State and no more than 10 years of
22 out-of-state service may be allowed as cred-
23 itable service;

24 (4) If the member is other than a teacher,
25 the last 10 years of creditable service pri-
26 or to the date of retirement must be in this
27 State and no more than 10 years of out-
28 of-state service may be allowed as credit-
29 able service; or

30 (5) If the member is a public school teach-
31 er who left service in this State to teach
32 children of United States occupational
33 forces, located in any foreign country on a
34 regularly established United States military
35 base, creditable service, not to exceed 2
36 years, shall be allowed provided the teacher
37 returned to active teaching service in the
38 State within one year of the completion of
39 the foreign service.

40 This paragraph shall not apply to any person who
41 begins membership on or after January 1, 1976.

1 B. Out-of-state service, if not allowed as cred-
2 itable service under paragraph A, shall be al-
3 lowed as additional creditable service provided
4 the member, prior to the effective date of his
5 retirement allowance, deposits in the Members'
6 Contribution Fund by a single payment or by an
7 increased rate of contribution an amount which,
8 together with regular interest, will be the actu-
9 arial equivalent, at the effective date of his
10 retirement allowance, of the portion of his re-
11 retirement allowance based on the additional cred-
12 itable service. The amounts deposited shall be-
13 come a part of the member's accumulated contribu-
14 tions. If any retirement allowance becomes effec-
15 tive before the completion of that deposit, the
16 member shall be entitled to credit for that por-
17 tion of the additional creditable service which
18 the total amount of deposit payments actually
19 made, together with regular interest to the date
20 the retirement allowance becomes effective, bears
21 to the actuarial equivalent of the total portion
22 of the retirement allowance based on the addi-
23 tional creditable service.

24 C. Applications for retirement allowances which
25 are to become effective after May 11, 1966, and
26 for which out-of-state credits are to be granted
27 must be accompanied by a certification that the
28 out-of-state service granted has not been and
29 will not be used to obtain benefits in another
30 state.

31 3. Federal employment service. Federal employ-
32 ment service shall be allowed as creditable service
33 as follows.

34 A. Any person who was an employee on December
35 31, 1941, and was transferred to the federal em-
36 ployment service or who was employed by the fed-
37 eral employment service after December 31, 1941,
38 and who subsequently became a state employee when
39 the federal employment service was returned to
40 the State as an operating unit or who became a
41 state employee at any time after that date, shall
42 be allowed creditable service for that time, pro-
43 vided the person makes payments for that time to
44 the Members' Contribution Fund at the same rate

1 as other state employees made during that time.
2 These payments may be made while employed by the
3 federal employment service or at any time subse-
4 quent to that employment. An employee who is con-
5 sidered a state employee under this paragraph
6 shall be entitled to all the rights and benefits
7 which that employee would have accrued had he
8 been employed by the State.

9 B. Any person who was an employee of the federal
10 employment service after December 31, 1941, and
11 was transferred to a state department prior to
12 the time the federal employment service was re-
13 turned to the State as an operating unit, shall
14 be allowed creditable service for the time he was
15 employed by the federal employment service, pro-
16 vided he makes contributions to the Members' Con-
17 tribution Fund for the years of federal employ-
18 ment service on or after July 1, 1942, at the
19 same rate he would have made contributions had
20 the service been as a state employee, including
21 interest at 2% greater than regular interest from
22 January 1, 1976, to the date of payment. Federal
23 employment service prior to July 1, 1942, shall
24 be allowed as prior service. This paragraph shall
25 not apply to any member who began membership on
26 or after January 1, 1976.

27 4. Military service. Military service shall be
28 allowed as creditable service as follows.

29 A. Members who terminate employment to enter
30 military service shall be allowed creditable ser-
31 vice as follows.

32 (1) Any member who terminates his employ-
33 ment to enter a class of service in the
34 Armed Forces of the United States approved
35 by resolution of the board and who does not
36 withdraw his contributions shall be allowed
37 creditable service for that period of mili-
38 tary service.

39 (2) Any member who enlists in or is in-
40 ducted or drafted into the service of the
41 Armed Forces of the United States in time of
42 war, including World War I, between the

1 dates of April 6, 1917, and March 3, 1921,
2 or while the Selective Service Act of 1948,
3 Public Law 759, 80th Congress, or any amend-
4 ment or extension is in effect, shall be al-
5 lowed creditable service and shall have the
6 benefits of section 555. The State shall
7 contribute to the Members' Contribution Fund
8 those amounts the employee would have been
9 required to contribute if he had been
10 serving the State during his service in the
11 Armed Forces of the United States in the
12 same capacity as that in which he was
13 serving at the time he joined the service,
14 regardless of when he entered or was re-
15 leased from the Armed Forces of the United
16 States, providing the entry and release oc-
17 curs during a time of war, including World
18 War I, between the dates of April 6, 1917,
19 and March 3, 1921, or while the Selective
20 Service Act of 1948, Public Law 759, 80th
21 Congress, or any amendment or extension is
22 in effect. Any employee whose contributions
23 to the Members' Contribution Fund are paid
24 by the State under this subparagraph and who
25 withdraws from or ceases to be a member of
26 the retirement system, may not withdraw any
27 of the contributions made by the State under
28 this subparagraph.

29 (3) No member who is otherwise entitled to
30 military leave credits may be deprived of
31 this right if his return to covered employ-
32 ment is delayed beyond the 90 days after his
33 separation under other than dishonorable
34 conditions if the delay is caused by an ill-
35 ness or disability incurred during military
36 service. Creditable service may only be al-
37 lowed for the first period of enlistment or
38 induction up to 4 years from the date of his
39 original call to active duty in the Armed
40 Forces, unless his return to active duty in
41 the Armed Forces or the extension of his pe-
42 riod of service beyond 4 years is required.

43 B. Members who do not qualify for creditable
44 service under paragraph A, may receive up to 4
45 years of creditable service for their military
46 service subject to the following conditions:

- 1 (1) The member shall have at least 15 years
2 of other creditable service;
- 3 (2) The member shall have been separated
4 from military service under other than dis-
5 honorable conditions;
- 6 (3) The member shall contribute to the re-
7 irement system for each year of military
8 service claimed the same percentage of con-
9 tribution required of active members during
10 the period of time covered by the military
11 service. That percentage shall be applied to
12 the earnable compensation paid the member
13 during the first year of state employment
14 subsequent to service in the Armed Forces of
15 the United States, together with interest at
16 2% greater than regular interest from Janu-
17 ary 1, 1976, or the date of attaining 15
18 years of creditable service, if later, to
19 the date of payment. In the event 2 or more
20 percentages of contribution were in effect
21 during the period of military service, the
22 highest percentage of contribution shall
23 govern. In no case may the rate of contri-
24 bution be less than 5%; and
- 25 (4) The member shall have begun membership
26 before January 1, 1976.

27 This paragraph shall also apply to all former
28 members receiving retirement benefits. The effec-
29 tive date of any adjustments under this paragraph
30 to retirement benefits for former members who are
31 receiving retirement benefits shall not be ear-
32 lier than the date on which this military service
33 is certified to the executive director.

34 C. Any person who was an employee on December
35 31, 1941, and who subsequently transferred to the
36 Maine National Guard and who was employed pursu-
37 ant to Section 90 of the National Defense Act of
38 June 3, 1916, 32 United States Code, Section 42,
39 shall be allowed creditable service if the person
40 makes payments for that time to the Members' Con-
41 tribution Fund at the same rate as other state
42 employees made to the fund during that period.

1 Any person to whom this paragraph is applicable
2 shall be entitled to all the rights and benefits
3 which would have accrued to him had he been em-
4 ployed by the State.

5 5. Back contributions. Members who have periods
6 of employment as a state employee or teacher during
7 which they were not members of the retirement system
8 may receive creditable service for that period of em-
9 ployment as follows.

10 A. Any member for whom the date of establishment
11 of the retirement system is July 1, 1942, may pay
12 into the Members' Contribution Fund back contri-
13 butions covering any or all of his period of em-
14 ployment from July 1, 1942, to the date when the
15 member first began to make contributions to the
16 retirement system and receive creditable service
17 for the period for which the back contributions
18 are made.

19 B. Any member who was an employee on July 1,
20 1947, but became a member subsequent to that date
21 may pay into the Members' Contribution Fund back
22 contributions for the period from the date of es-
23 tablishment of the retirement system for him to
24 the date he became a member and receive credit-
25 able service for the period for which the back
26 contributions are paid. Back contributions made
27 after July 1, 1957, shall include interest at 2%
28 greater than regular interest for the period from
29 July 1, 1957, to the date of payment.

30 §18004. State CETA employees

31 CETA employees may receive creditable service as
32 follows.

33 1. Definitions. As used in this section, unless
34 the context indicates otherwise, the following terms
35 have the following meanings.

36 A. "CETA employee" means an employee enrolled in
37 a program under the Comprehensive Employment and
38 Training Act of 1973, as amended. CETA employees
39 shall be considered eligible for membership in
40 the system from their date of enrollment, whether
41 or not they become members.

1 B. "Prime sponsor" means the CETA prime sponsor,
2 a unit of government responsible for planning and
3 operating all CETA programs within the geographic
4 jurisdiction encompassed by that unit of govern-
5 ment.

6 C. "Employer" means the State.

7 2. Employer's contributions. Notwithstanding
8 section 18061, the State shall not contribute to the
9 system for CETA employees. If an employee elects, un-
10 der subsection 4, paragraph A, to purchase his CETA
11 time for past creditable service, the employee's
12 prime sponsor shall then pay to the system an amount
13 equal to the employer's contribution, plus regular
14 interest, for the employee's CETA time, using only
15 CETA funds.

16 3. Employee's contributions. Notwithstanding
17 sections 18062 and 18092, a CETA employee shall not
18 be required to contribute to the system. The CETA em-
19 ployee may contribute during his period of CETA em-
20 ployment or may defer contributions until his
21 post-CETA employment status is known.

22 4. Credit for CETA service. Creditable service
23 for the period of CETA employment occurring after
24 June 30, 1979, shall be allowed to any person who,
25 after June 30, 1979, was a CETA employee and:

26 A. Within 90 days of termination of CETA employ-
27 ment, became a non-CETA employee of the employer,
28 and within 90 days of becoming an employee, sig-
29 nified in writing to the retirement system his
30 intention to purchase his CETA time for service
31 credit;

32 B. Has not received a return of any contribu-
33 tions made pursuant to subsection 3 or has depos-
34 ited his contributions within 18 months of ob-
35 taining non-CETA employment with the employer as
36 provided by subsection 3. Deposit shall be made
37 in accordance with section 18005, subsection 2.
38 In the event any retirement allowance becomes ef-
39 fective before the completion of the deposit, he
40 shall be entitled to creditable service for that
41 portion of his CETA service which the amount of

1 the deposit actually made bears to the total
2 amount which would have been required to purchase
3 his entire CETA service; and

4 C. Whose employer contribution required by sub-
5 section 2 has been paid.

6 5. Return of contributions. Any CETA employee
7 who contributed during his CETA employment and who
8 does not meet the requirements of subsection 4, para-
9 graphs A and B shall be refunded his employee contri-
10 butions, plus regular interest, upon written request
11 to the retirement system.

12 §18005. Restoration of membership; reemployment

13 Creditable service shall be allowed for reemploy-
14 ment as follows.

15 1. Restoration to service; contributions not
16 withdrawn. Any person formerly employed by the State
17 who has not withdrawn his contributions and who is
18 reemployed by the State at any time shall, upon be-
19 coming a member, be allowed the appropriate credit-
20 able service.

21 2. Restoration to service; contributions with-
22 drawn. Any former member who withdrew his contribu-
23 tions after termination of service may, upon later
24 restoration to membership and prior to the date any
25 retirement allowance becomes effective for him, de-
26 posit in the Members' Contribution Fund by a single
27 payment, or by an increased rate of contribution, an
28 amount equal to the accumulated contributions with-
29 drawn by him, together with interest at 2% greater
30 than regular interest from the date of withdrawal to
31 the date the deposit payment or payments are made.
32 Upon the completion of the deposit, the member shall
33 be entitled to all creditable service that he ac-
34 quired during his previous membership. In the event
35 any retirement allowance becomes effective before the
36 completion of the deposit, the member shall be enti-
37 tled to credit for that portion of the total of such
38 previous creditable service which the total amount of
39 deposit payments actually made bears to the single
40 deposit, including interest at 2% greater than regu-
41 lar interest from the date of payment to the date the

1 retirement allowance becomes effective, if paid on
2 the date of restoration to membership.

3 3. Employees previously employed by participa-
4 ting local districts. Any member of the retirement
5 system whose service is terminated as an employee of
6 a participating local district and who has not with-
7 drawn his accumulated contributions shall, upon sub-
8 sequent employment by the State or as a teacher, have
9 his membership transferred to the State. He shall
10 then be entitled to all benefits based on creditable
11 service and earnable compensation with the previous
12 employer in accordance with this chapter in effect
13 with respect to the previous employer at the date of
14 termination of service which do not require addition-
15 al contributions by the State. All funds in the re-
16 irement system contributed by his former employer on
17 account of his previous employment shall be trans-
18 ferred to his account with the State and shall be
19 used to liquidate the liability incurred by reason of
20 that previous employment. The State may elect to in-
21 clude the creditable service and earnable compensa-
22 tion with the previous employer with the creditable
23 service and earnable compensation with the new em-
24 ployer, and shall then make the necessary contribu-
25 tions, from time to time, to provide these combined
26 benefits for that member.

27 ARTICLE II

28 MEMBERSHIP OF PARTICIPATING LOCAL

29 DISTRICT EMPLOYEES

30 §18031. Employees of local districts entitled to
31 membership

32 1. Participation of local districts. The employ-
33 ees of any local district may participate in the re-
34 irement system to the full extent of the benefits
35 provided for in this chapter. To become a participa-
36 ting local district, the executive body of the enti-
37 ty, or the voters of a town at a duly constituted
38 meeting, shall:

39 A. Approve participation in the retirement sys-
40 tem; and

1 B. Have the appropriate official file with the
2 board of trustees a certified copy of the resolu-
3 tion of the executive body, or a record of the
4 vote of the town voters certified by the clerk of
5 the town meeting, which:

6 (1) Approves the participation of its em-
7 ployees in the retirement system;

8 (2) Indicates the benefits which shall ap-
9 ply; and

10 (3) Designates any class of employees, oth-
11 erwise provided for by local pension provi-
12 sions, who are to be exempted from this
13 chapter.

14 A local district approving the participation of its
15 employees in the retirement system shall be known,
16 for the purposes of this chapter, as a "participating
17 local district."

18 The date of establishment of a participating local
19 district shall be set by the board of trustees and
20 shall not be later than 6 months after the local dis-
21 trict approved participation.

22 2. Membership. Membership in the retirement sys-
23 tem is as follows.

24 A. Membership in the retirement system shall be
25 optional for employees of a participating local
26 district on the date of establishment for that
27 district. Any employee who elected not to become
28 a member of the retirement system on the date of
29 establishment for that district may subsequently
30 elect to become a member of the retirement sys-
31 tem.

32 B. Any person employed by the local district
33 subsequent to the date of establishment and not
34 exempted under subsection 1, paragraph B, subpar-
35 agraph (3), shall become a member of the retire-
36 ment system as a condition of employment, except
37 as provided in paragraph C.

38 C. Membership shall be optional for:

- 1 (1) Elected officials;
- 2 (2) Officials appointed for fixed terms;
- 3 (3) Chief administrative officers, whether
4 appointed for a fixed term or with tenure;
- 5 (4) CETA employees, as provided in section
6 18036; and
- 7 (5) As otherwise provided in subsection 3.

8 3. Membership in districts which participate in
9 the United States Social Security System. Persons who
10 are or would be covered by the United States Social
11 Security System as a result of their employment by a
12 participating local district shall, as of September
13 1, 1982, have the following options.

14 A. Persons may choose not to join or to withdraw
15 at any time from the system as provided by section
16 18093.

17 B. Persons employed subsequent to the date of
18 establishment of the retirement system for that
19 district may join either at the commencement of
20 their employment or on the next 2 anniversaries
21 of the commencement of their employment, as long
22 as they are still employees of the participating
23 local district and the district continues as a
24 participating unit. An employee electing not to
25 join the system at the commencement of his em-
26 ployment shall not receive any retirement credit
27 for the period during which he elected not to be
28 a member of the system.

29 C. Employees who have withdrawn from the system
30 pursuant to paragraph A may choose to rejoin
31 within 3 years of their withdrawal, provided
32 that:

33 (1) They repay to the system an amount
34 equivalent to the withdrawn contributions,
35 plus interest at the rate required of termi-
36 nated employees who had become reemployed
37 and had elected to rejoin the system and re-
38 pay their contributions; and

1 (2) The district is still a participating
2 local district allowing new membership in
3 the retirement system.

4 This right to rejoin shall be limited to one oc-
5 currence. An employee who withdraws from the sys-
6 tem and rejoins within the 3-year period shall
7 not receive any retirement credit for any year or
8 part of a year during which he was withdrawn from
9 the system.

10 4. Cessation of membership. A member shall cease
11 to be a member when he:

12 A. Withdraws his contributions;

13 B. Becomes a beneficiary as a result of his own
14 retirement; or

15 C. Dies.

16 5. Information from districts. The chief fiscal
17 officer of a participating local district shall sub-
18 mit to the board any information and shall cause to
19 be performed any duties with respect to the employees
20 of the participating local district, as shall be pre-
21 scribed by the board in order to carry out the pur-
22 poses of the retirement system.

23 §18032. Cessation of eligibility of participating
24 local districts

25 1. Effect on members. If any participating lo-
26 cal district ceases to be an employing unit eligible
27 for inclusion in the retirement system, the member-
28 ship of its employees shall cease except to the ex-
29 tent of any benefits that may be provided by the
30 funds that have been established under the retirement
31 system for that district.

32 2. Allocation of funds. The funds that have been
33 established under the retirement system for that dis-
34 trict shall be used to provide benefits for those
35 persons who are either members or beneficiaries at
36 the date membership ceases.

1 The amount of the funds that have been established
2 under the retirement system for that district at the
3 date membership ceases shall be allocated by the
4 board in an equitable manner in accordance with this
5 chapter in effect on that date, but shall be based
6 upon years of creditable service, average final com-
7 penensation and accumulated contributions as of that
8 date, in the following order:

9 A. To members, to the extent of the value on
10 that date of their accumulated contributions in
11 the Members' Contribution Fund;

12 B. If any funds remain after the distribution in
13 paragraph A, to beneficiaries in the following
14 order:

15 (1) The next benefit payment due to benefi-
16 ciaries already receiving a benefit;

17 (2) An amount in proportion to the actuari-
18 al value, on the date membership ceases, of
19 their respective benefits, but not to exceed
20 the amount of these values;

21 C. If any funds remain after the distribution in
22 paragraph B, to members with at least 10 years of
23 creditable service, who are not then receiving
24 benefit payments, the actuarial value of their
25 retirement allowances not provided by their accu-
26 mulated contributions. The allocation of the
27 funds under this paragraph shall be on the basis
28 of the oldest ages first method; and

29 D. If any funds remain after the distribution in
30 paragraph C, to members in service with the dis-
31 trict on the date membership ceases with less
32 than 10 years of creditable service who are not
33 then receiving benefit payments, the actuarial
34 value of their retirement allowances not provided
35 by their accumulated contributions. The alloca-
36 tion of the funds under this paragraph shall be
37 on the basis of the oldest ages first method.

38 The allocation of the funds provided for, as decided
39 by the board, may be carried out through the continu-
40 ance of the benefit payments or the funds may be dis-

1 tributed in one lump sum to the persons entitled to
2 the benefits. No member or former member may lose his
3 right to any benefits under this section solely be-
4 cause he later terminates employment with the partic-
5 ipating local district prior to his service retire-
6 ment date.

7 §18033. Withdrawal of participating local districts

8 1. Withdrawal authorized. Any participating lo-
9 cal district may withdraw from participation in the
10 system, as provided in this section.

11 2. Procedure. The withdrawal shall be accom-
12 plished by a majority vote of the executive body or,
13 for a town which has a town meeting form of govern-
14 ment, by the voters of the town at a town meeting.
15 The results of the vote shall be certified to the
16 board. The withdrawal shall become effective on the
17 last day of the month following the month in which
18 the certified notice is received by the board.

19 3. Certain withdrawal of contributions autho-
20 riized. Any employee of the withdrawing district who
21 has made contributions to the system may withdraw his
22 contributions in the manner provided by section
23 18093.

24 4. Effects of withdrawal. Withdrawal from the
25 system shall have the following effects.

26 A. Any employee of the district who withdraws
27 his contribution or any person who begins employ-
28 ment after the effective date of withdrawal of
29 the district from the system may not be a partic-
30 ipant in the retirement system as an employee of
31 that district.

32 B. The district shall continue to be a partici-
33 pating local district for those former employees
34 who are receiving allowances or who are eligible
35 for retirement benefits and for those employees
36 who have not withdrawn their contributions from
37 the system. For the purposes of this section,
38 those employees remaining in the system are sub-
39 ject to this chapter.

1 C. No entity which has withdrawn from the system
2 in the manner provided by this section, may amend
3 the provisions of its retirement plan, except as
4 provided in paragraph D.

5 D. The provisions of any amendments to this
6 chapter which take effect subsequent to the ef-
7 fective date of withdrawal of a participating lo-
8 cal district may be accepted by that district for
9 those employees who have remained in the system.

10 §18034. Creditable service

11 Creditable service, for the purpose of determin-
12 ing benefits under this chapter, shall be allowed as
13 follows.

14 1. Service. All service of a member for which
15 contributions are made shall be allowed as creditable
16 service.

17 2. Service prior to being a member. All service
18 of a member which was rendered subsequent to the date
19 of establishment of the retirement system, but prior
20 to an employee's membership in the system, shall be
21 allowed as creditable service for that employee if:

22 A. The member was an employee on the date of es-
23 tablishment of the retirement system for that
24 participating local district;

25 B. The member elected not to join the system at
26 that time; or

27 C. The member makes the appropriate contribution
28 for that period of service.

29 2. Disability retirement. The period during
30 which a beneficiary receives disability retirement
31 allowance payments under section 19063 shall be al-
32 lowed as creditable service.

33 3. Prior service. Any periods of prior service
34 rendered to the participating local district or to
35 the State or as a teacher which are certified by the
36 participating local district as creditable prior ser-
37 vice and for which the participating local district

1 makes accrued liability contributions shall be al-
2 lowed as creditable service.

3 4. Accumulated or accrued sick leave or unused
4 vacation leave. Accumulated or accrued sick leave or
5 unused vacation leave or any combination of both with
6 which a member is credited on termination of service,
7 and for which the member does not receive payment,
8 shall be allowed as creditable service as follows:

9 A. Ninety or fewer days shall be credited with-
10 out additional contribution by the member;

11 B. Periods beyond 90 days up to the maximum per-
12 mitted without lapsing, by contract or by person-
13 nel rules, may be credited if the local district
14 elects this benefit and pays into the system the
15 entire actuarial equivalent for this period.

16 5. Amount of service per year. The board shall
17 establish by rule how much service in any year is
18 equivalent to one year of creditable service subject
19 to the following conditions.

20 A. No credit may be allowed for a period of ab-
21 sence without pay of more than one month's dura-
22 tion from a full-time position.

23 B. No more than one year of service may be cred-
24 ited for all service in one calendar year.

25 C. Service rendered for the full normal working
26 time in any year shall be equivalent to one
27 year's service. For the purpose of determining
28 prior service credits, actual time worked in any
29 year shall be considered to be the normal working
30 time.

31 §18035. Additional creditable service

32 Additional creditable service may be purchased as
33 follows.

34 1. Out-of-state service. Any member may purchase
35 additional creditable service for out-of-state ser-
36 vice as follows.

1 A. Members with at least 20 years of creditable
2 service in Maine may purchase out-of-state ser-
3 vice provided that:

4 (1) The member, prior to the effective date
5 of his retirement allowance, makes contribu-
6 tions into the Members' Contribution Fund
7 for the years of out-of-state service at the
8 same rate as he would have made contribu-
9 tions had that service been in Maine, in-
10 cluding interest at 2% greater than regular
11 interest from the date of his initial em-
12 ployment or return to service immediately
13 subsequent to his out-of-state service to
14 the date of payment; and

15 (2) The last 10 years of creditable service
16 prior to the date of retirement must be in
17 this State.

18 No more than 10 years of out-of-state service may
19 be allowed as creditable service. This paragraph
20 shall not apply to any person who begins member-
21 ship on or after January 1, 1976.

22 B. Out-of-state service not allowed as credit-
23 able service under paragraph A shall be allowed
24 as creditable service, provided the member, prior
25 to the effective date of his retirement allow-
26 ance, deposits in the Members' Contribution Fund
27 by a single payment or by an increased rate of
28 contribution, an amount which, together with reg-
29 ular interest will be the actuarial equivalent,
30 at the effective date of his retirement allow-
31 ance, of the portion of his retirement allowance
32 based on the additional creditable service. The
33 amounts deposited shall become a part of the
34 member's accumulated contributions. If any re-
35 irement allowance becomes effective before the
36 completion of that deposit, the member shall be
37 entitled to credit for that portion of the addi-
38 tional creditable service which the total amount
39 of deposit payments actually made, together with
40 regular interest to the date the retirement al-
41 lowance becomes effective, bears to the actuarial
42 equivalent of the total portion of the retirement
43 allowance based on the additional creditable ser-
44 vice.

1 C. Applications for retirement allowances which
2 are to become effective after May 11, 1966, and
3 for which out-of-state credits are to be granted
4 must be accompanied by certification that the
5 out-of-state service granted has not been and
6 will not be used to obtain benefits in another
7 state.

8 3. Military service. Military service shall be
9 allowed as creditable service as follows.

10 A. Members who terminate employment to enter
11 military service shall be allowed creditable ser-
12 vice as follows.

13 (1) Any member who terminates his employ-
14 ment to enter a class of service in the
15 Armed Forces of the United States approved
16 by resolution of the board and who does not
17 withdraw his contributions, shall be allowed
18 creditable service for that period of mili-
19 tary service.

20 (2) Any member who enlists in or is in-
21 ducted or drafted into the service of the
22 Armed Forces of the United States in time of
23 war, including World War I, between the
24 dates of April 6, 1917 and March 3, 1921, or
25 while the Selective Service Act of 1948,
26 Public Law 759, 80th Congress, or any amend-
27 ment or extension is in effect, shall be al-
28 lowed creditable service and shall have all
29 the benefits of section 555. The participa-
30 ting local district shall contribute to the
31 Members' Contribution Fund those amounts the
32 employee would have been required to con-
33 tribute if he had been serving the district
34 during his service in the Armed Forces of
35 the United States in the same capacity as
36 that in which he was serving at the time he
37 joined the service regardless of when he en-
38 tered or was released from the Armed Forces
39 of the United States, providing the entry
40 and release occurs during a time of war, in-
41 cluding World War I, between the date of
42 April 6, 1917, and March 3, 1921, or while
43 the Selective Service Act of 1948, Public

1 Law 759, 80th Congress, or any amendment or
2 extension is in effect. Any employee whose
3 contributions to the Members' Contribution
4 Fund are paid by the district under this
5 subparagraph and who withdraws from or
6 ceases to be a member of the retirement sys-
7 tem may not withdraw any of the contribu-
8 tions made by the district under this sub-
9 paragraph.

10 (3) No member who is otherwise entitled to
11 military leave credits may be deprived of
12 this right if his return to covered employ-
13 ment is delayed beyond the 90 days after his
14 separation under other than dishonorable
15 conditions if the delay is caused by an ill-
16 ness or disability incurred during military
17 service. Creditable service may only be al-
18 lowed for the period of first enlistment or
19 induction up to 4 years from the date of his
20 original call to active duty in the Armed
21 Forces of the United States, unless his re-
22 turn to active duty in the Armed Forces of
23 the United States or the extension of his
24 period of service beyond 4 years is re-
25 quired.

26 B. Members who do not qualify for creditable
27 service under paragraph A may receive up to 4
28 years of creditable service for their military
29 service subject to the following condition:

30 (1) The member shall have at least 15 years
31 of other creditable service;

32 (2) The member shall have been separated
33 from military service under conditions other
34 than dishonorable;

35 (3) The member shall contribute to the re-
36 irement system for each year of military
37 service claimed at the same percentage of
38 contribution required of active members dur-
39 ing the period of time covered by military
40 service. That percentage shall be applied to
41 the earnable compensation paid to the member
42 during the first year of district employment

1 after his service in the Armed Forces of the
2 United States, together with interest at 2%
3 greater than regular interest from January
4 1, 1976, or the date of attaining 15 years
5 of creditable service, if later, to the date
6 of payment. In the event 2 or more percent-
7 ages of contribution were in effect during
8 the period of military service, the highest
9 percentage of contribution shall govern. In
10 no case may the rate of contribution be less
11 than 5%; and

12 (4) The member shall have begun membership
13 before January 1, 1976.

14 A local district may elect, with regard to spe-
15 cial retirement plans under section 19062, sub-
16 section 2, paragraphs A to C, that military ser-
17 vice credits under this subsection shall only
18 apply to additional retirement benefits under sec-
19 tion 19062, subsection 2, paragraph A,
20 subparagraphs (3) and (4), and shall not apply to
21 age or service requirements of retirement. Noth-
22 ing in this paragraph may be construed to affect
23 in any way the rights of public employees to col-
24 lectively bargain for terms and conditions of em-
25 ployment.

26 This paragraph shall also apply to all former
27 members receiving retirement benefits. The effec-
28 tive date of any adjustments under this paragraph
29 to retirement benefits for former members who are
30 receiving retirement benefits shall not be ear-
31 lier than the date on which this military service
32 is certified to the executive director.

33 §18036. CETA employees of participating local dis-
34 tricts

35 1. Definitions. As used in this section, unless
36 the context indicates otherwise, the following terms
37 have the following meanings.

38 A. "CETA employee" means a local district em-
39 ployee enrolled in a program under the Comprehen-
40 sive Employment and Training Act of 1973, as
41 amended.

1 B. "Prime sponsor" means the CETA prime sponsor,
2 a unit of government responsible for planning and
3 operating all CETA programs within the geographic
4 jurisdiction encompassed by that unit of govern-
5 ment.

6 C. "Employer" means the participating local dis-
7 trict with which the CETA employee is placed for
8 training and employment.

9 2. Eligibility. CETA employees are eligible for
10 membership in the system from July 1, 1979 or from
11 their date of enrollment, whichever is later.

12 3. Membership. Notwithstanding section 18031,
13 membership in the retirement system shall be optional
14 for all CETA employees.

15 4. Creditable service. Creditable service shall
16 be allowed for all periods of a person's CETA employ-
17 ment with a participating local district occurring
18 after June 30, 1979, or from their date of enroll-
19 ment, if later, provided that:

20 A. Within 90 days of termination of CETA employ-
21 ment he became a non-CETA employee of the employ-
22 er, and within 90 days of becoming an employee,
23 signified in writing to the retirement system his
24 intention to purchase CETA time for service cred-
25 it; and

26 B. If he does not have contributions on deposit
27 with the system, he:

28 (1) Deposits with the system within 18
29 months of obtaining non-CETA employment an
30 amount equal to what his contributions would
31 have been, plus regular interest, as pro-
32 vided in section 18037, subsection 2. In the
33 event any retirement allowance becomes ef-
34 fective before the completion of his depos-
35 it, he shall be entitled to credit for that
36 portion of his CETA time which the amount of
37 the deposit actually made bears to the total
38 amount which would have been required to
39 purchase his entire CETA time.

1 5. Employee's contribution. Notwithstanding section
2 18092, a CETA employee shall not be required to
3 contribute to the system. The CETA employee may con-
4 tribute during his period of CETA employment, or may
5 defer contributions until his post-CETA employment
6 status is known.

7 6. Employer's contribution. Notwithstanding section
8 18091, the employer shall not contribute his
9 funds to the system for CETA employees. If a CETA em-
10 ployee receives creditable service under subsection
11 4, the CETA employee's prime sponsor shall pay to the
12 system an amount equal to the employer's contribu-
13 tion, plus regular interest, for that period of cred-
14 itable service. The employer contribution shall only
15 be made from CETA funds.

16 7. Return of contributions. Any CETA employees
17 who contributed during his CETA employment and who
18 does not meet the requirements of subsection 4, para-
19 graphs A and B, shall be refunded his employee con-
20 tributions, plus regular interest, upon written re-
21 quest to the retirement system.

22 §18037. Restoration to membership; reemployment

23 Creditable service shall be allowed for reemploy-
24 ment as follows.

25 1. Restoration to service; contributions not
26 withdrawn. Any former member employed by a participa-
27 ting local district who has not withdrawn his contri-
28 butions and who is reemployed by that district at any
29 time shall, upon becoming an active member, be al-
30 lowed the appropriate creditable service.

31 2. Restoration to service, contributions with-
32 drawn. Any former member who withdrew his contribu-
33 tions after termination of service may, upon later
34 restoration to service in that district and prior to
35 the date any retirement allowance becomes effective
36 for him, deposit in the Members' Contribution Fund by
37 a single payment, or by an increased rate of contri-
38 bution, an amount equal to the accumulated contribu-
39 tions withdrawn by him, together with interest at 2%
40 greater than regular interest from the date of with-
41 drawal to the date the deposit payment or payments

1 are made. Upon the completion of the deposit, the
2 member shall be entitled to all creditable service
3 that he acquired during his previous membership. In
4 the event any retirement allowance becomes effective
5 before the completion of the deposit, the member
6 shall be entitled to credit for that portion of the
7 total of the previous creditable service which the
8 total amount of deposit payments actually made bears
9 to the single deposit, including interest at 2%
10 greater than regular interest from the date of ini-
11 tial payment to the date the retirement allowance be-
12 comes effective, if paid on the date of restoration
13 to membership.

14 3. Members previously employed by the State or a
15 different local participating district. Any member of
16 the retirement system whose service as an employee,
17 as defined in section 17001, or as an employee of a
18 participating local district is terminated and has
19 not withdrawn his accumulated contributions, shall,
20 upon subsequent employment by a different participa-
21 ting local district, have his membership transferred
22 to his new employer. He shall then be entitled to all
23 benefits based on creditable service and earnable
24 compensation with the previous employer in accordance
25 with this chapter in effect with respect to the pre-
26 vious employer at the date of termination of service
27 which do not require additional contributions by the
28 new employer. All funds in the retirement system con-
29 tributed by his former employer on account of his
30 previous employment shall be transferred to his ac-
31 count with his new employer and shall be used to liq-
32 uidate the liability incurred by reason of that pre-
33 vious employment. The new employer may elect to in-
34 clude the creditable service and earnable compensa-
35 tion with the previous employer with the creditable
36 service and earnable compensation with the new em-
37 ployer and shall then make the necessary contribu-
38 tions, from time to time, to provide those combined
39 benefits for that member.

40 §18038. Special purchase of creditable service

41 Any member of a participating local district who
42 has served in any participating local district or in
43 any unit of the State which might be considered eli-
44 gible for membership in the retirement system as a

1 participating local district shall have the right to
2 purchase, by mutual agreement between the participa-
3 ting local district and the individual concerned, his
4 previous service upon proper certification that the
5 service had been rendered and that the current em-
6 ployer will assume the liability incurred by the
7 granting of that previous time. Notwithstanding any-
8 thing to the contrary, any participating local dis-
9 trict may grant creditable service to any former em-
10 ployee who is currently a member of the system and
11 the entire actuarial costs of that creditable service
12 shall be fully funded by that participating local
13 district.

14 SUBCHAPTER V

15 CONTRIBUTIONS

16 ARTICLE I

17 STATE EMPLOYEES

18 §18061. Employer contribution

19 1. Payment. For each member, the State shall
20 pay annually into the Retirement Allowance Fund an
21 amount known as the employer contribution.

22 2. Employer contribution rate. The rate of the
23 employer contribution shall be fixed on the basis of
24 the assets and liabilities of the retirement system
25 as shown by actuarial valuation and shall be ex-
26 pressed as a percentage of the annual earnable com-
27 penensation of each member.

28 A. The employer contribution rate shall repre-
29 sent the percentage of the members' compensation
30 payable during periods of membership required to
31 provide the difference between the total liabili-
32 ties for retirement allowances not provided by
33 the members' contributions and the amount of the
34 assets in the Retirement Allowance Fund.

35 B. The employer contribution rate shall be de-
36 termined on actuarial bases adopted by the board.
37 The rate shall be determined by the board after
38 each valuation and shall continue in force until
39 a new valuation is made.

1 3. Minimum amount of employer contribution. The
2 aggregate payment by the State into the Retirement
3 Allowance Fund shall be at least sufficient, when
4 combined with the amount in the Retirement Allowance
5 Fund, to provide the benefits payable from the fund
6 during the current year.

7 4. Increase in state share of costs. The
8 State's share of the cost of the retirement system
9 shall not be increased due to the changes in the ben-
10 efit formula and the change from 5-year average high-
11 est compensation to 3-year average highest compensa-
12 tion. Any additional costs from these changes are to
13 be borne by the members of the system.

14 §18062. Employee contributions

15 Each member in service shall contribute at a rate
16 of 6.5% of earnable compensation, except as provided
17 in this section.

18 1. Additional contributions up to 10%. Members
19 in service may make additional contributions to the
20 Members' Contribution Fund for the purpose of in-
21 creasing their retirement allowance payment under any
22 nondisability retirement provision of this chapter.
23 The amount of the additional contribution may not ex-
24 ceed 10% of a member's earnable compensation.

25 2. Additional contributions in excess of
26 10%. Members in service on January 1, 1976, and in-
27 eligible to make additional contributions under sec-
28 tion 18003, subsection 1 and subsection 2, paragraph
29 B, may make additional contributions at a rate in ex-
30 cess of 10% of their earnable compensation necessary
31 to provide an increased retirement allowance equal to
32 any benefits to which the members would have been en-
33 titled under section 18003, subsections 1 and 2, as
34 in effect immediately prior to January 1, 1976.

35 3. Special contributory plans for certain em-
36 ployees. Special contributory plans for certain em-
37 ployees are as follows.

38 A. The chief and members of the State Police and
39 the chief or any member of the State Police who
40 is appointed to the position of Commissioner of

1 Public Safety, any of whom became a member of the
2 State Police after July 9, 1974, but before Sep-
3 tember 1, 1984, shall contribute to the retire-
4 ment system at a rate of 7.5% of earnable compen-
5 sation until they have completed 20 years of
6 creditable service as required by section 19032,
7 subsection 1. After completing that service, a
8 member of the State Police shall contribute at a
9 rate of 6.5% of earnable compensation for the re-
10 mainder of his employment in that position.

11 A person hired after August 31, 1984, as a member
12 of the State Police shall contribute at a rate of
13 7.5% of earnable compensation until he has com-
14 pleted 25 years of creditable service as a member
15 of the State Police. After completing that ser-
16 vice, the employee shall contribute at a rate of
17 6.5% of earnable compensation for the remainder
18 of his employment in that position.

19 B. Each law enforcement officer in the Depart-
20 ment of Inland Fisheries and Wildlife and in the
21 Department of Marine Resources, who is employed
22 as such before September 1, 1984, shall contrib-
23 ute at a rate of 7.5% of earnable compensation
24 until he has completed 20 years of creditable
25 service, as required by section 19032, subsection
26 3. After completing that service, a law enforce-
27 ment officer in the Department of Inland Fisher-
28 ies and Wildlife or in the Department of Marine
29 Resources shall contribute at a rate of 6.5% of
30 earnable compensation for the remainder of his
31 employment in that position. A commissioner or a
32 deputy commissioner of the Department of Marine
33 Resources may elect to contribute at the rate of
34 6.5% rather than as required by this subsection
35 by filing a written copy of the election of that
36 choice with the board of trustees.

37 C. Each forest ranger in the Bureau of Forestry,
38 Department of Conservation, who is employed as
39 such before September 1, 1984, shall contribute
40 at a rate of 7.5% of earnable compensation until
41 he has attained eligibility for retirement under
42 section 19032, subsection 4. After attaining el-
43 igibility for retirement, a forest ranger shall
44 contribute at a rate of 6.5% of earnable compen-

1 sation for the remainder of his employment in
2 that position.

3 D. Each employee of the Maine State Prison, who
4 holds a position described in section 19032, sub-
5 section 7, and who is employed as such before
6 September 1, 1984, shall contribute at a rate of
7 7.5% of earnable compensation until he has at-
8 tained eligibility for retirement under section
9 19032. After attaining eligibility for retire-
10 ment, the employee shall contribute at a rate of
11 6.5% of earnable compensation for the remainder
12 of his employment in that position.

13 Each employee of the Maine State Prison, who is
14 hired after August 31, 1984, in a position de-
15 scribed in section 19032, subsection 6, shall
16 contribute at a rate of 7.5% of earnable compen-
17 sation until he has completed 25 years of credit-
18 able service in such a position or positions.
19 After completing that service, the employee shall
20 contribute at a rate of 6.5% of earnable compen-
21 sation for the remainder of his employment in
22 that position or positions.

23 4. Payment by the State in lieu of member's man-
24 datory contributions. When the State pays for the
25 member's mandatory contribution under a collective
26 bargaining contract, as authorized by section 17072,
27 subsection 1, paragraph E, the percentage rate paid
28 by the State shall be that rate determined by the ac-
29 tuary and approved by the board which provides the
30 same net revenues to the retirement system as the ap-
31 plicable mandatory rate would have had it been paid
32 by the member.

33 §18063. Return of accumulated contributions; inac-
34 tive accounts

35 1. Refund of membership contribu-
36 tions. Following termination of service, except by
37 death or retirement under this chapter, a member,
38 upon application to the retirement system, shall be
39 paid the amount of his accumulated contributions to
40 the system.

1 determined by an actuarial valuation of the accrued
2 liability on behalf of its employees who elect to be-
3 come members. The actuarial valuation of the accrued
4 liability shall be calculated in the same manner as
5 the accrued liability rate was originally determined
6 for state employees. This special accrued liability
7 contribution, subject to adjustments necessary to ac-
8 count for additional prior service credits, shall be
9 payable in lieu of the accrued liability contribution
10 payable on account of state employees who are members
11 of the retirement system.

12 2. Assessment and payment of costs. The expense
13 of making the initial actuarial valuation described
14 in subsection 1 and a pro rata share of the cost of
15 the administration of the retirement system, based
16 upon the district's employee payroll, and the cost of
17 each annual valuation shall be certified by the board
18 to the chief fiscal officer of the participating lo-
19 cal district. The amounts so certified shall be as-
20 essed against the participating local district.

21 The chief fiscal officer of each participating
22 local district shall pay to the Treasurer of State
23 the amount certified by the board as payable under
24 this section, and the Treasurer of State shall credit
25 those amounts to the appropriate funds of the retire-
26 ment system. Separate accounts shall be kept of the
27 amounts so credited.

28 §18092. Employee contributions

29 Each member in service shall contribute at a rate
30 of 6.5% of earnable compensation, except as provided
31 in this section.

32 1. Additional contributions up to 10%. Members
33 in service may make additional contributions on their
34 own account to the Members' Contribution Fund for the
35 purpose of increasing their retirement allowance pay-
36 ment under any nondisability retirement provision of
37 this chapter. The amount of the additional contribu-
38 tion may not exceed 10% of a member's earnable com-
39 pen-sation.

40 2. Additional contributions in excess of
41 10%. Members in service on January 1, 1976, and in-

1 eligible to make additional contributions under section
2 18003, subsection 1, paragraph D, may make addi-
3 tional contributions at a rate in excess of 10% of
4 their earnable compensation necessary to provide an
5 increased retirement allowance equal to any benefits
6 to which the members would have been entitled under
7 section 18003, subsection 1, as in effect immediately
8 prior to January 1, 1976.

9 3. Special contributory plans for certain em-
10 ployees. Special contributory plans for certain em-
11 ployees are as follows.

12 A. Each firefighter, including the chief of a
13 fire department, employed by a participating lo-
14 cal district which has elected the option of a
15 2/3 service retirement allowance at age 55 pro-
16 vided for firefighters in section 19062, subsec-
17 tion 2, paragraph C, shall be required to con-
18 tribute at a rate of 8% of earnable compensation
19 as long as he is employed as a firefighter. A
20 participating local district may elect to reduce
21 the rate of contribution to 6.5% of earnable com-
22 pen-sation for firefighters who continue employ-
23 ment after attaining eligibility for retirement
24 for the remainder of their employment as fire-
25 fighters.

26 B. Each police officer, including the chief of a
27 police department, employed by a participating
28 local district which has elected the option of a
29 2/3 service retirement allowance at age 55 pro-
30 vided for police officers in section 19062, sub-
31 section 2, paragraph B, shall be required to con-
32 tribute at a rate of 8% of earnable compensation
33 as long as he is employed as a police officer. A
34 participating local district may elect to reduce
35 the rate of contribution to 6.5% of earnable com-
36 pen-sation for police officers who continue em-
37 ploy-ment after attaining eligibility for retire-
38 ment for the remainder of their employment as po-
39 lice officers.

40 §18093. Return of accumulated contributions; inac-
41 tive accounts

1 1. Refund of membership contributions. Follow-
2 ing termination of service, except by death or re-
3 irement under this chapter, a member, upon applica-
4 tion to the retirement system, shall be paid the
5 amount of his accumulated contributions to the sys-
6 tem.

7 A. If the member has less than 10 years of cred-
8 itable service, interest shall not be paid on the
9 accumulated contribution for any period after the
10 5th anniversary of termination of service.

11 B. Payment of accumulated contributions shall
12 not be made earlier than 60 days after the date
13 of termination of service.

14 C. An application for return of accumulated con-
15 tribution shall be void if the member returns to
16 service within 60 days after the date of termina-
17 tion of service.

18 2. Transfer of inactive accounts. Any account
19 in the retirement system with a balance of accumu-
20 lated contributions under \$100 which has been inac-
21 tive for at least 10 years may be transferred by the
22 executive director to the Retirement Allowance Fund.

23 A. Any member who is restored to service shall
24 be entitled to have the accumulated contributions
25 which were transferred to the Retirement Allow-
26 ance Fund restored to his credit.

27 B. Any former member who applies for a refund of
28 the accumulated contributions which were trans-
29 ferred to the Retirement Allowance Fund shall be
30 paid that refund.

31 3. Applicability. This section shall not apply
32 to contributions paid by the participating district.

33 §18094. Benefit entitlements; contribution transfers

34 Employees who become members under this Article
35 and on behalf of whom contributions are paid as pro-
36 vided in this Article shall be entitled to benefits
37 for which those contributions are made as though they
38 were state employees and shall also be entitled to

1 any additional benefits elected by the participating
2 local districts.

3 Upon the retirement of any member of a participa-
4 ting local district the required reserve shall be
5 transferred, as soon as accumulated, to the appropri-
6 ate fund of the retirement system and become the
7 property of the system.

8 §18095. Liability of retirement system

9 1. Reserves required. Notwithstanding anything
10 to the contrary, the retirement system shall not be
11 liable for the payment of any benefits to retirees of
12 a participating local district or their beneficiaries
13 for which reserves have not been previously created
14 from funds contributed by the participating local
15 district or its employees for those benefits.

16 2. Survivor benefits. The retirement system
17 shall be liable for the payment of survivor benefits
18 to beneficiaries of members of a participating local
19 district if the participating local district has
20 elected survivor benefits.

21 3. Increased contributions. When the contribu-
22 tions of a participating local district are deter-
23 mined for any fiscal year in accordance with section
24 18091, and the assets of any reserve fund of the par-
25 ticipating local district are less than the liabili-
26 ties of that fund, the amount of contributions to be
27 paid shall be increased at the option of the partici-
28 pating local district by:

29 A. The total amount of all deficits; or

30 B. The total amount of benefits payable during
31 the fiscal year from the reserve funds that have
32 a deficit.

33 SUBCHAPTER VI

34 PAYMENT OF BENEFITS

35 ARTICLE 1

36 STATE EMPLOYEES AND TEACHERS

1 §19031. Service retirement benefits; state employees
2 and teachers

3 1. Conditions. Upon written application to the
4 board setting forth the date upon which he chooses to
5 retire, any member with contributions on deposit in
6 the Members' Contribution Fund may retire upon meet-
7 ing the following conditions.

8 A. Any member in service may retire on or after
9 his 60th birthday provided he has been in service
10 for at least one year immediately before retire-
11 ment.

12 B. Any member not in service may retire on or
13 after his 60th birthday if he has at least 10
14 years of creditable service.

15 C. Any member who has completed at least 25
16 years of creditable service may retire any time
17 before his 60th birthday.

18 (1) The retirement allowance of a person
19 who retires under this paragraph shall be
20 determined in accordance with subsection 2,
21 paragraphs A and B, except that it shall be
22 reduced by multiplying the retirement allow-
23 ance by a fraction which represents the ra-
24 tio of the amount of a life annuity due at
25 age 60 to the amount of a life annuity due
26 at the age of retirement. The tables of an-
27 nuities in effect at the date of retirement
28 shall be used for this purpose.

29 (2) Any member who retires before his 60th
30 birthday under any special plan established
31 by section 19032, shall not be subject to
32 the reduction provided in subparagraph 1,
33 unless the special plan specifically pro-
34 vides otherwise.

35 (3) The minimum benefits provided for in
36 subsection 3, shall apply, if appropriate,
37 to retirement allowances computed under this
38 paragraph.

1 2. Amount. The service retirement allowance of
2 a member shall be determined under the provisions of
3 this chapter which are in effect on the member's date
4 of final termination of service. Subject to the min-
5 imum benefits provided for in subsection 3, the total
6 amount of the retirement allowance of a member re-
7 tired in accordance with subsection 1, shall be equal
8 to the sum of:

9 A. One fiftieth of the member's average final
10 compensation multiplied by the number of years of
11 his creditable service; and

12 B. One fiftieth of the member's average final
13 compensation multiplied by the number of years,
14 not to exceed 25, of creditable service rendered
15 prior to the date of establishment of the retire-
16 ment system; if:

17 (1) He has a prior service certificate in
18 effect; or

19 (2) He was formerly subject to the Maine
20 Revised Statutes of 1944, chapter 37, sec-
21 tions 212 to 241, and has a prior service
22 certificate in effect for service as a
23 teacher before July 1, 1947. Any member
24 formerly subject to the Maine Revised Stat-
25 utes of 1944, chapter 37, sections 212 to
26 241, with a prior service certificate in ef-
27 fect for service as a teacher before July 1,
28 1942, may elect to receive 1/60 of his aver-
29 age final compensation multiplied by the
30 number of years of his teaching service ren-
31 dered before July 1, 1942, in lieu of 1/50
32 of his average final compensation multiplied
33 by a maximum of 25 years of service as pro-
34 vided in this paragraph.

35 3. Minimum benefits shall be provided as fol-
36 lows.

37 A. For any member who has at least 10 years of
38 creditable service at retirement, the retirement
39 allowance shall be at least \$100 per month.

1 B. For any member retired under subsection 1,
2 who became a member before July 1, 1947, and for
3 whom the date of establishment of the retirement
4 system is July 1, 1942, the retirement allowance
5 shall be at least 1/2 of his average final com-
6 penensation, provided:

7 (1) He has at least 25 years of creditable
8 service which includes at least:

9 (a) Twenty-two years of creditable
10 service rendered prior to the date of
11 establishment of the retirement system
12 if he retires before age 60; or

13 (b) Thirteen years of creditable ser-
14 vice rendered prior to the date of es-
15 tablishment of the retirement system if
16 he retires on or after age 65; or

17 (2) He has at least 20 years of creditable
18 service, including at least 13 years of
19 creditabile service rendered prior to the
20 date of establishment of the retirement sys-
21 tem if he retires on or after age 70.

22 C. The annual retirement allowance of any member
23 retired under subsection 1, who has taught in the
24 public schools shall be at least equal to the
25 following:

26 (1) One thousand four hundred and sixty-
27 five dollars, if the member has at least 35
28 years of creditable service as a teacher;

29 (2) One thousand three hundred and sixty-
30 five dollars, if the member has at least 30
31 but less than 35 years of creditable service
32 as a teacher;

33 (3) One thousand two hundred and sixty-five
34 dollars, if the member has at least 25 years
35 but less than 30 years of creditable service
36 as a teacher; or

37 (4) One thousand two hundred dollars, if
38 the member began to teach in the public

1 schools of the State prior to July 1, 1947,
2 is at least 60 years of age, and has at
3 least 15 years of creditable service as a
4 teacher.

5 If a greater benefit results under the formula
6 set out in subsection 2, paragraph B, the greater
7 amount shall be paid.

8 §19032. Special retirement plans

9 1. State police hired before September 1, 1984.
10 Any member of the state police who became a member
11 of that department before September 1, 1984, may re-
12 tire upon completion of 20 years of creditable ser-
13 vice as a state police officer.

14 A. The retirement allowance under this subsec-
15 tion shall be 1/2 of the member's average final
16 compensation, plus an additional 2% of his aver-
17 age final compensation for each year of credit-
18 able service not included in determining eligi-
19 bility for retirement under this subsection.

20 B. Veterans' service credits allowed under sec-
21 tion 18003, subsection 4, paragraph B, shall not
22 be part of the creditable service necessary for
23 the 20 years' service as a state police officer
24 required under this subsection, but military ser-
25 vice creditable under section 18003, subsection
26 4, paragraph A, shall be considered part of the
27 creditable service necessary for this purpose if
28 the member was a state police officer when he en-
29 tered military service, and he continued as a
30 state police officer when he entered military
31 service and he continued as a state police offi-
32 cer upon separation.

33 C. Upon the death of a member who is receiving a
34 retirement allowance under this subsection with-
35 out optional modification, or who is retired un-
36 der the disability provisions, the surviving
37 spouse shall become entitled to a retirement al-
38 lowance of 1/2 of the amount being paid at the
39 time of the member's death. This payment shall
40 continue for the remainder of the survivor's
41 lifetime or until the survivor becomes the depen-
42 dent of another person.

1 D. For purposes of this chapter, members of the
2 state police shall include any state police offi-
3 cer or any state police officer who is appointed
4 Chief of the State Police or Commissioner of Pub-
5 lic Safety.

6 2. State police hired after August 31, 1984. A
7 member hired after August 31, 1984, as a member of
8 the state police may retire after completion of 25
9 years of creditable service as a member of the state
10 police and attainment of age 55. The service retire-
11 ment allowance shall be determined in accordance with
12 section 19031, subsection 2.

13 Any member who has completed 25 or more years of
14 creditable service as a member of the state police
15 may retire at any time prior to the attainment of age
16 55 and receive a service retirement allowance. The
17 retirement allowance shall be determined in accord-
18 ance with section 19031, subsection 2, except that it
19 shall be reduced by multiplying the retirement allow-
20 ance by a fraction which represents the ratio of the
21 amount of a life annuity due at age 55 to the amount
22 of a life annuity due at the age of retirement. The
23 tables of annuities as approved by the board of
24 trustees at the date of retirement shall be used for
25 this purpose.

26 3. Inland Fisheries and Wildlife; Marine Res-
27 ources. A law enforcement officer in the Depart-
28 ment of Inland Fisheries and Wildlife or in the De-
29 partment of Marine Resources who was employed as such
30 before September 1, 1984, may retire upon completion
31 of 20 years of creditable service as a law enforce-
32 ment officer in either department.

33 A. The retirement allowance of a law enforcement
34 officer retired under this subsection shall be
35 1/2 of his average final compensation plus an ad-
36 ditional 2% of his average final compensation for
37 each year of creditable service not included in
38 determining eligibility for retirement under this
39 subsection.

40 B. Veterans' service credits allowed under sec-
41 tion 18003, subsection 4, paragraph B, shall not
42 be part of the creditable service necessary for

1 the 20 years' service as a law enforcement offi-
2 cer required under this subsection, but military
3 service creditable under section 18003, subsec-
4 tion 4, paragraph A, shall be considered part of
5 the creditable service necessary for this purpose
6 if the member was a law enforcement officer in
7 either department when he entered military ser-
8 vice and he continued as a law enforcement offi-
9 cer in either department upon separation.

10 C. Upon the death of a law enforcement officer
11 who is receiving a retirement allowance under
12 this subsection without optional modification, or
13 who is retired under the disability provisions,
14 the surviving spouse shall be entitled to a re-
15 irement allowance of 1/2 of the amount being
16 paid at the time of the member's death. This
17 payment shall continue for the remainder of the
18 survivor's lifetime or until the survivor becomes
19 the dependent of another person.

20 D. A commissioner or deputy commissioner of the
21 Department of Marine Resources may retire under
22 this subsection if he had contributed as a law
23 enforcement officer under section 18062, subsec-
24 tion 3, paragraph B.

25 4. Forest rangers. A forest ranger in the De-
26 partment of Conservation, who was employed as such
27 before September 1, 1984, may retire on or after age
28 50 or upon completion of 25 years of creditable ser-
29 vice as a forest ranger in this department, whichever
30 is later.

31 The retirement allowance of a member who retires un-
32 der this subsection shall be 1/2 of his average final
33 compensation plus an additional 2% for each year of
34 creditable service not included in the age and ser-
35 vice conditions for retirement under this subsection.

36 5. State airplane pilots. An airplane pilot em-
37 ployed by the State, who was employed as an airplane
38 pilot before September 1, 1984, may retire on or af-
39 ter age 55 if he has at least 25 years of creditable
40 service as an airplane pilot.

1 The retirement allowance of a member who retires un-
2 der this subsection shall be 1/2 of his average final
3 compensation plus an additional 2% of his average fi-
4 nal compensation for each year of membership service
5 not included in determining eligibility for retire-
6 ment under this subsection. If the member retires on
7 or after attaining the age of 60, he shall receive
8 the greater of an allowance determined under section
9 19031 or an allowance computed under this subsection.

10 6. Liquor inspectors. A liquor inspector, who
11 was employed as a liquor inspector before September
12 1, 1984, may retire on or after age 55 if he has com-
13 pleted at least 25 years of creditable service in
14 that capacity.

15 A. The retirement allowance of a member who re-
16 tires under this subsection shall be 1/2 of his
17 average final compensation plus an additional 2%
18 of his average final compensation for each year
19 of membership service not included in determining
20 eligibility for retirement under this subsection.

21 B. The chief inspector is a liquor inspector for
22 purposes of this subsection.

23 7. Maine State Prison employees hired before
24 September 1, 1984. An employee of the Maine State
25 Prison who was employed as in that capacity before
26 September 1, 1984, may retire on or after age 50 if
27 he has at least 20 years of creditable service in any
28 combination of the prison employment capacities set
29 out in paragraph B.

30 A. The retirement allowance of a member retired
31 under this subsection shall be 1/2 of his average
32 final compensation plus an additional 2% for each
33 year of membership service not included in deter-
34 mining eligibility for retirement under this sub-
35 section.

36 B. This subsection applies to the following em-
37 ployees of the Maine State Prison:

38 (1) Wardens or deputy wardens;

39 (2) Guards;

1 (3) Officers or employees engaged in the
2 management of prisoners; and

3 (4) Supervising officers of guards or of
4 employees engaged in the management of pris-
5 oners.

6 8. Maine State Prison employees hired after Au-
7 gust 31, 1984. A member hired after August 31, 1984,
8 as an employee of the Maine State Prison, as de-
9 scribed in subsection 7, paragraph B, may retire af-
10 ter completion of 25 years of creditable service in
11 such a position or positions and attainment of age
12 55. The service retirement allowance shall be deter-
13 mined in accordance with section 19031, subsection 2.

14 Any member who has completed 25 or more years of
15 creditabile service as an employee of the Maine State
16 Prison may retire at any time prior to the attainment
17 of age 55 and receive a service retirement allowance.
18 The retirement allowance shall be determined in ac-
19 cordance with section 19031, subsection 2, except
20 that it shall be reduced by multiplying the retire-
21 ment allowance by a fraction which represents the ra-
22 tio of the amount of a life annuity due at age 55 to
23 the amount of a life annuity due at the age of re-
24 irement. The tables of annuities in effect at the
25 date of retirement shall be used for this purpose.

26 9. Former Governors and widows of Governors.
27 Former elected Governors who have attained the age of
28 65 and unremarried widows or widowers of Governors
29 are entitled to a retirement allowance of 3/8 of the
30 annual salary being paid the current Governor on the
31 date the application for benefits is received by the
32 board. These retirement allowances shall become ef-
33 fective on the date that the board receives written
34 application for them. Benefits granted under this
35 subsection are subject to adjustment under section
36 19038. Any person who succeeds to the Office of the
37 Governor by means other than election shall qualify
38 for benefits as an elected Governor after serving in
39 that office for 6 months.

40 10. Law enforcement officers. Substantially
41 similar or equal retirement benefits accruing to a
42 law enforcement officer under this section shall be
43 interchangeable.

1 11. Transfer from special plan. Any member who
2 has completed the service requirements for retirement
3 under a special plan in this section may transfer to
4 a position not under that special plan and accrue ad-
5 ditional creditable service. Upon retirement, the
6 portion of the member's retirement allowance based
7 upon creditable service earned after being trans-
8 ferred shall be subject to reduction under section
9 19031, subsection 1, and, if applicable, the benefit
10 based upon creditable service earned before being
11 transferred shall be subject to reduction under sub-
12 sections 2 and 8. This subsection shall also be ap-
13 licable to a person who retires under a special plan
14 and is subsequently restored to service in accordance
15 with section 19034. For purposes of this subsection,
16 a special plan is the retirement program in subsec-
17 tions 1 to 8. The computation of the retirement al-
18 lowance shall be based upon the member's average fi-
19 nal compensation as defined in section 17001, subsec-
20 tion 4.

21 §19033. Disability retirement

22 1. Conditions. Any member shall receive a dis-
23 ability retirement allowance upon written application
24 to the executive director if the following conditions
25 are met:

26 A. He is less than 60 years old, or he has not
27 reached the earlier normal retirement age for his
28 particular group of employees;

29 B. While in service, he became mentally or phys-
30 ically incapacitated to the extent that it is im-
31 possible for him to perform the duties of his em-
32 ployment position, and the incapacity is shown by
33 medical examination or tests to be permanent.
34 The examination or tests shall be conducted by a
35 qualified physician mutually agreed upon by the
36 executive director and member, at an agreed upon
37 place, and the costs shall be paid by the system;
38 and

39 C. For members with less than 5 years of contin-
40 uous creditable service immediately preceding
41 their application for a disability allowance, the
42 incapacity did not result from a physical or men-

1 tal condition which existed prior to the member's
2 latest membership, unless the incapacity has been
3 substantially aggravated by an injury or accident
4 received in the line of duty.

5 Any person who becomes a member of the system on or
6 after July 1, 1977, shall submit a statement of his
7 health to the executive director on forms prescribed
8 by the executive director. If the executive director
9 finds that additional information is necessary to de-
10 termine the extent of any preexisting disability, he
11 may require the member to undergo medical examina-
12 tions or tests, which shall be conducted at a mutual-
13 ly agreed upon place and shall be paid for by the re-
14 irement system. This statement of health or exami-
15 nation or test result shall only be used to determine
16 eligibility for a disability retirement allowance un-
17 der this section.

18 Any member subject to this paragraph who does not
19 submit the required statement of health, prior to his
20 application for disability benefits, shall not be el-
21 igible for those benefits unless he establishes to
22 the satisfaction of the executive director that he
23 meets the qualifications of this section.

24 2. Amount. The amount of a disability retire-
25 ment allowance shall be 66 2/3% of the member's aver-
26 age final compensation.

27 3. Commencement. Disability retirement allow-
28 ance payments shall commence at the date of termina-
29 tion of active service of the member but not more
30 than 6 months prior to the date the executive direc-
31 tor receives the written application. If the member
32 shows that it was not reasonably possible to file his
33 application within 6 months of his termination date
34 and that the application was filed as soon as reason-
35 ably possible, the allowance shall be retroactive to
36 the date of termination.

37 4. Conditions under which a disability benefit
38 continues. A disability retirement benefit shall
39 continue to be paid, unless it is changed to a ser-
40 vice retirement benefit under subsection 7, for 5
41 years if, during that period, the beneficiary cannot
42 perform the duties of his employment position. After

1 that period, the allowance shall continue only if the
2 beneficiary is unable to engage in any substantially
3 gainful activities for which he is qualified by
4 training, education or experience.

5 The executive director may require the beneficiary to
6 submit to annual medical examinations or tests for
7 the purpose of determining whether the beneficiary is
8 incapacitated. These examinations or tests shall be
9 conducted by a qualified physician, mutually agreed
10 upon by the executive director and beneficiary, at a
11 place mutually agreed upon. The costs of the exami-
12 nation or tests shall be paid by the system. If the
13 beneficiary refuses to submit to an examination or
14 tests, his disability allowance shall cease until he
15 agrees to the examination or tests. If his refusal
16 continues for one year, all rights to any further
17 benefits under this section shall terminate.

18 For purposes of this subsection, the disability bene-
19 ficiary's average final compensation at retirement
20 shall be used to determine his earning capacity in
21 relation to his ability to engage in substantially
22 gainful activity. It shall be adjusted by the same
23 percentage, if any, as applied to the beneficiary's
24 retirement allowance under section 19038, subsection
25 1.

26 5. Earnings. The executive director shall re-
27 quire each beneficiary to submit an annual statement
28 of earnings received from any gainful occupation dur-
29 ing that year. For any year during which those earn-
30 ings exceed \$10,000, the excess shall be deducted
31 from any retirement allowance payments made to the
32 beneficiary during the next calendar year. These de-
33 ductions shall be prorated on a monthly basis, in an
34 equitable manner prescribed by the board, over the
35 year or part of the year for which benefits are re-
36 ceived. The beneficiary shall be liable to the re-
37 retirement system for any excess earnings not so de-
38 ducted.

39 Should a beneficiary not submit an earnings statement
40 within 30 days of receiving a request from the execu-
41 tive director, his disability retirement allowance
42 shall be discontinued until the statement is submit-
43 ted. Should the statement not be submitted within

1 one year of receiving a request, all his rights to
2 any further benefits shall cease.

3 6. Reduction. A disability retirement allowance
4 shall be reduced if a disability beneficiary is re-
5 ceiving or has received payments for the same dis-
6 ability under either or both:

7 A. The Workers' Compensation Act, or similar
8 law, except for amounts which may be paid or pay-
9 able under Title 39, sections 56 or 56-A; or

10 B. The United States Social Security Act, if the
11 beneficiary was also covered under that Act on
12 the date of disability retirement.

13 The total of the allowance, not including adjustments
14 under section 19038, subsection 1, and either or both
15 of the other payments described in paragraphs A and
16 B, shall equal 80% of the beneficiary's average final
17 compensation. The disability retirement allowance
18 shall in no event be reduced below the actuarial
19 equivalent of the beneficiary's accumulated contribu-
20 tions at the time of retirement.

21 If the disability beneficiary has received a lump-sum
22 settlement of workers' compensation benefits, any
23 portion of that settlement not attributable to voca-
24 tional rehabilitation, attorneys' fees or medical ex-
25 penses shall reduce the disability retirement allow-
26 ance in the same manner and amount as monthly work-
27 ers' compensation benefits. The reduction shall be
28 prorated on a monthly basis in an equitable manner
29 prescribed by the board. If amounts paid or payable
30 under workers' compensation or the amount of the
31 lump-sum settlement or its attribution are in dis-
32 pute, those disputes shall be settled by a single
33 member of the Workers' Compensation Commission. De-
34 termination of the commissioner may be appealed in
35 the manner provided by Title 39, section 103-B.

36 7. Change to service retirement. The disabili-
37 ty allowance of a beneficiary shall cease on the 10th
38 anniversary of his normal retirement age, as defined
39 in section 7001, subsection 19, or prior to that
40 time, whenever his service retirement allowance
41 should equal or exceed the amount of his disability
42 retirement allowance.

1 A service retirement allowance shall be paid to the
2 beneficiary commencing on the date the disability re-
3 retirement allowance terminates under this subsection.

4 §19034. Restoration to service

5 1. Disability retirees. The following provi-
6 sions shall apply to a disability retiree who is re-
7 stored to service.

8 A. If the total of a disability beneficiary's
9 annual retirement allowance for any year, as ad-
10 justed under section 19038, subsection 1, and
11 earnable compensation for that year; exceeds his
12 average final compensation at retirement, ad-
13 justed by the same percentage as his disability
14 retirement allowance, the excess shall be de-
15 ducted from his following year's allowance.
16 Those deductions shall be equitably prorated on a
17 monthly basis, as prescribed by the board, over
18 the year, or part of the year, during which bene-
19 fits are received. The beneficiary shall be lia-
20 ble to the retirement system for any excess which
21 is not deducted.

22 B. If the excess exceeds his annual disability
23 retirement allowance as adjusted, his retirement
24 allowance shall cease, and he shall again become
25 a member of the system, contributing at the same
26 rate he paid prior to retirement.

27 C. Upon subsequent retirement, his retirement
28 allowance shall be computed under section 19031,
29 but if the length of creditable service since his
30 last restoration to membership is less than 2
31 years, the retirement allowance shall not exceed
32 the sum of:

33 (1) The total retirement allowance he was
34 receiving immediately before his last resto-
35 ration to membership; and

36 (2) The allowance to which he would be en-
37 titled as a result of his creditable service
38 since his last restoration to membership.

1 2. Nondisability retirees. The following provi-
2 sions shall apply to a nondisability retiree who is
3 restored to service.

4 A. If the total of a nondisability retiree's an-
5 nuual retirement allowance for a calendar year, as
6 adjusted under section 19038, subsection 1, and
7 earnable compensation for that year exceeds his
8 average final compensation at retirement, ad-
9 justed by the same percentage as his retirement
10 allowance, the excess shall be deducted from his
11 following year's retirement allowance. Those de-
12 ductions shall be equitably prorated on a monthly
13 basis, as prescribed by the board, over the year,
14 or part thereof, during which benefits are re-
15 ceived. The beneficiary shall be liable to the
16 system for any excess which is not deducted.

17 B. If the excess earning exceed his retirement
18 allowance adjusted, the allowance shall cease and
19 he shall again become a member of the system,
20 contributing at the current rate. Upon subse-
21 quent retirement, his retirement allowance shall
22 be computed under section 19031.

23 3. Recomputation. Any retiree, including a dis-
24 ability retiree, who was restored to active service
25 after July 1, 1947, and who subsequently retired may
26 have his allowance recomputed in accordance with sub-
27 section 2, paragraph B, effective as of the date of
28 last retirement, and shall have his benefit adjusted
29 if that recomputation results in a higher benefit
30 that the retiree is receiving.

31 4. Legislative employees. Any retiree under
32 this chapter who becomes an employee of or is elected
33 to the Legislature is exempt from the limitations on
34 earnings established by subsections 1 and 2 and shall
35 be permitted to continue to receive his retirement
36 allowance regardless of the amount earned while so
37 employed. In addition, any such person is entitled
38 to accept the amount of group insurance coverage
39 available under subchapter VII for the duration of
40 his legislative service or employment, but that cov-
41 erage shall not carry forward beyond the completion
42 of the term of office or employment.

1 §19035. Ordinary death benefits

2 1. Death before eligibility for retirement. If
3 a member who is in service or a former member who is
4 a beneficiary receiving a disability retirement al-
5 lowance dies at any time before completing the age
6 and service conditions for retirement, one of the
7 following payments shall be made as follows:

8 A. A lump-sum payment shall be made as follows.

9 (1) The member's or former member's accumu-
10 lated contributions shall be paid to the
11 member's or former member's beneficiary, un-
12 less the beneficiary, if eligible, selects
13 benefits under paragraph B and C. The desig-
14 nation of a beneficiary must be filed in
15 writing with the executive director prior to
16 the member's or former member's death. The
17 last designation revokes all previous desig-
18 nations.

19 (2) If a member or former member is not
20 survived by a designated beneficiary or has
21 not designated a beneficiary, the accumu-
22 lated contributions shall be paid to the
23 first of the following listed relatives
24 alive at the member's or former member's
25 death unless that person is eligible for and
26 selects benefits under paragraphs B and C:

27 (a) The spouse;

28 (b) The child or children, share and
29 share alike;

30 (c) The older parent; or

31 (d) The surviving parent.

32 (3) If none of the relatives listed in sub-
33 section 2 survive the member or former mem-
34 ber, the accumulated contributions shall be
35 paid to the member's or former member's es-
36 tate.

1 B. Instead of accepting the payment provided in
2 paragraph A, the first of the following persons,
3 if designated as a beneficiary by the member or
4 former member, may elect to receive the benefits
5 described in paragraph C: The spouse; the child
6 or children; the mother or father; or the mother
7 and father.

8 If no designation was made, or if the designated
9 beneficiary did not survive the member or former
10 member, the first of the following listed persons
11 may elect to receive the benefits described in
12 paragraph C: The spouse; the child or children;
13 or the parents or parent.

14 C. The persons electing benefits under paragraph
15 B, shall receive the following benefits.

16 (1) The spouse shall receive \$150 a month,
17 beginning the first month after the member
18 or former member's death and continuing un-
19 til the spouse dies, provided:

20 (a) The deceased member or former mem-
21 ber had 10 years of creditable service
22 at the time of his death;

23 (b) The surviving spouse is certified
24 by the medical board to be permanently
25 mentally incompetent or permanently
26 physically incapacitated and determined
27 by the executive director to be unable
28 to engage in any substantially gainful
29 employment;

30 (c) The spouse has attained the age of
31 60; or

32 (d) The spouse has the responsibility
33 for the care of the child or children
34 of the deceased member or former mem-
35 ber. Payment shall begin the first
36 month after the death of the member or
37 former member and continue while the
38 child or children are in the spouse's
39 care and so long as at least one child
40 meets the definition of "child" as set

1 forth in section 17001, subsection 7.

2 The spouse is not eligible to receive bene-
3 fits under subparagraphs (1) and (2) simul-
4 taneously.

5 (2) The child or children or the deceased
6 member or former member shall receive bene-
7 fits as follows:

8 (a) One child shall be paid \$150 per
9 month;

10 (b) Two children shall be paid \$225
11 per month, which shall be divided
12 equally among them; or

13 (c) Three children or more shall be
14 paid \$300 per month, which shall be di-
15 vided equally among them.

16 The benefits shall begin the first month af-
17 ter the member's or former member's death
18 and are payable to each child as long as he
19 meets the definition of "child" set forth in
20 section 17001, subsection 7. When any child
21 becomes ineligible to receive benefits under
22 this subparagraph, the other children, if
23 any, shall continue to receive benefits in
24 accordance with the schedule in this subpar-
25 agraph.

26 (3) A surviving parent who is at least 60
27 years of age or when that age is attained
28 shall be paid \$150 per month. If both par-
29 ents are eligible for benefits under this
30 section, and elect benefits under this sub-
31 paragraph, the older parent shall receive
32 \$150 per month and the younger parent shall
33 receive \$105 per month. Upon the death of
34 either parent, the survivor shall receive
35 \$150 per month. The payments to any parent
36 shall begin the first month after the
37 member's or former member's death and con-
38 tinue until death. Benefits are only pay-
39 able under this subparagraph in the event no
40 other benefits have been received under
41 subparagraphs (1) or (2).

1 D. A member may file an affidavit with the execu-
2 tive director specifying that his accumulated
3 contributions be refunded to a designated benefi-
4 ciary or to his estate instead of any payment to
5 survivors as provided in paragraphs B and C.

6 E. If any person becomes entitled to benefits
7 under this section and dies before either the re-
8 fund check or the initial survivor benefit check
9 is endorsed and presented to a holder in due
10 course, then it shall be treated as if the person
11 had predeceased the member or former member.

12 F. Any person who may choose between lump-sum
13 and periodic payment under this section may exer-
14 cise that option at any time until the refund
15 check or the initial survivor benefit payment
16 check is endorsed and presented to a holder in
17 due course.

18 2. Death after eligibility for retirement. If a
19 member or former member who receives a disability re-
20 retirement allowance dies after meeting the age and
21 service conditions for retirement under any of the
22 provisions of this chapter, but before the retirement
23 allowance becomes effective, the first of the follow-
24 ing listed persons the designated beneficiary, the
25 spouse, the mother and the father who survives the
26 member or former member may receive a retirement al-
27 lowance under Option 2 of section 19037, subsection
28 3, as if the deceased had died on the date his re-
29 retirement allowance became effective. If this allow-
30 ance is less than \$10 per month, the beneficiary may
31 elect, before the allowance begins, to receive a lump
32 sum which is the actuarial equivalent at the date of
33 death of the retirement allowance payments.

34 A. If the designated beneficiary is the spouse,
35 child or children, mother or father, he may elect
36 to receive benefits under subsection 1, instead
37 of the Option 2 benefit;

38 B. The first listed person who is not a desig-
39 nated beneficiary may elect, before the allowance
40 begins, to receive the deceased's accumulated
41 contributions in a lump sum.

1 If none of the payments provided for in this subsec-
2 tion are made, the accumulated contributions of the
3 deceased shall be paid to his estate.

4 3. Election of benefits. The benefits described
5 in this section shall be instead of the death bene-
6 fits payable under section 19032, subsection 1 or 3
7 or any benefits payable under section 19036.

8 Any person entitled to receive benefits under this
9 section may elect, before benefit payments begin, to
10 receive either the death benefits under section
11 19032, subsection 1 or 3 or the benefits under sec-
12 tion 19036, instead of these benefits, if all re-
13 quirements of the applicable section are met.

14 4. Cost-of-living adjustments. Payments made
15 under subsection 1, paragraphs B and C, shall be ad-
16 justed pursuant to section 19038, in the same manner
17 as retirement allowances.

18 §19036. Accidental death benefits

19 1. Benefit. If a member or a former member who
20 is receiving a disability retirement allowance dies
21 as a result of an injury received in the line of du-
22 ty, benefits are paid as follows:

23 A. If the deceased is survived by a spouse and
24 if there is no surviving child, a benefit of 2/3
25 of the deceased's average final compensation
26 shall be paid to the spouse in monthly
27 installments.

28 B. If the deceased is survived by a spouse and a
29 child or children, an annual benefit of the full
30 amount of the deceased's average final compensa-
31 tion shall be paid to the spouse and the child or
32 children jointly in monthly installments.

33 C. If the deceased is survived only by a child
34 or children, an annual benefit of the full amount
35 of the deceased's average final compensation
36 shall be paid to the child or children jointly in
37 monthly installments.

38 2. Reduction and termination. Reduction and ter-
39 mination of benefits are as follows.

1 A. The benefits provided by this section shall
2 be paid to a spouse, if there is no child, until
3 the spouse dies.

4 B. The benefits provided by this section shall
5 be paid to a surviving child or children, if
6 there is no surviving spouse, until the child or
7 children die or until they no longer meet the
8 definition of child.

9 C. The benefits provided by this section shall
10 be paid to a spouse and a child or children un-
11 til:

12 (1) The spouse dies, in which case the pay-
13 ments shall continue to the child or chil-
14 dren until they die or until the youngest
15 child no longer meets the definition of
16 child; or

17 (2) The child or children dies or the youn-
18 gest child no longer meets the definition of
19 child, in which case the payment to the
20 spouse shall be reduced to 2/3 of the
21 deceased's average final compensation until
22 the spouse dies.

23 3. Election of benefits. The benefits provided
24 by this section shall be in lieu of any benefits pay-
25 able under section 19035 or any death benefits pay-
26 able under section 19032, subsection 1 or 3.

27 Any person entitled to receive benefits under this
28 section may elect, before benefit payments begin, to
29 receive benefits under section 19035 or section
30 19032, subsections 1 and 3, instead of these bene-
31 fits, if all requirements of the applicable section
32 are met.

33 §19037. Payment of retirement allowances

34 1. Normal method of payment. All retirement al-
35 lowances calculated under section 19031 or 19032
36 shall be paid for life in equal monthly installments.
37 When death occurs, the last monthly installment shall
38 be adjusted to reflect the date of death.

1 2. Optional methods of payment. Instead of pay-
2 ment under subsection 1, a member or a former member
3 who is a beneficiary receiving a disability retire-
4 ment allowance may elect to receive a reduced retire-
5 ment allowance under one of the 4 options in subsec-
6 tion 3. The optional allowance shall be computed ac-
7 tuarily, based on the option selected. It shall be
8 payable for life with benefits payable after the
9 retiree's death to a beneficiary designated by him in
10 writing, duly acknowledged, and filed with the execu-
11 tive director at the time of retirement.

12 The retiree may elect one of the options by written
13 request to the executive director prior to commence-
14 ment of payment of the retirement allowance. The
15 election may be revoked by written notice to the ex-
16 ecutive director at any time before the regular re-
17 irement allowance commences.

18 3. Options. After the retiree's death, the des-
19 ignated beneficiary shall receive:

20 Option 1. The retiree's accumulated contributions at
21 the time of his retirement, reduced by the portion of
22 the total retirement allowance payments actually made
23 to him during his lifetime which is actuarially as-
24 cribed to his contributions. If the beneficiary does
25 not survive the retiree, it shall be paid to his es-
26 tate. No contributions deducted from the compensation
27 of a teacher before July 1, 1947, or required of a
28 teacher for service credit prior to that time, may be
29 included in these accumulated contributions;

30 Option 2. For life, a monthly benefit equal to the
31 amount received by the retiree;

32 Option 3. For life, a monthly benefit equal to 1/2 of
33 the amount received by the retiree; or

34 Option 4. Some other benefit, provided that the total
35 value of the retiree's allowance and of the succeed-
36 ing benefit are of equivalent actuarial value to the
37 allowance the retiree would have received under sub-
38 section 1. The method used to determine this benefit
39 shall be approved by the board.

40 §19038. Cost-of-living and other adjustments

1 1. Cost-of-living adjustments. Retirement allow-
2 ances under this chapter shall be adjusted as fol-
3 lows.

4 A. The board shall automatically adjust allow-
5 ances, on an annual basis, by any percentage
6 change in the Consumer Price Index from July 1st
7 to June 30th, but only up to a maximum annual ad-
8 justment of 4%. The board shall determine the
9 cost of these adjustments and shall include them
10 in their budget requests.

11 B. Whenever the annual percentage change in the
12 Consumer Price Index from July 1st to June 30th
13 exceeds 4%, the board shall adjust allowances as
14 set out in paragraph A, and shall report the ad-
15 justment and the actual increase or decrease in
16 the Consumer Price Index to the Legislature dur-
17 ing February of the following year.

18 C. Adjustments under this section shall be ap-
19 plied to the allowances of all retirees who have
20 been retired for at least 6 months before the ad-
21 justment takes effect. Beneficiaries of deceased
22 retirees shall be eligible for the adjustment
23 provided in this section at the same time the de-
24 ceased retiree becomes eligible.

25 D. The amount of a retirement allowance payable
26 under this chapter shall not be less than the
27 retiree received on the effective date of his re-
28 tirement or on July 1, 1977, whichever is
29 greater.

30 2. Other adjustments. Each person receiving a
31 retirement allowance may have his allowance recom-
32 puted based on 1/50 of average final compensation,
33 but the recomputation shall not include cost-
34 of-living adjustments granted under subsection 1. No
35 adjustment granted under subsection 1, may be
36 changed, improved or impaired as a result of this
37 subsection.

38 §19039. Benefits to employees retired prior to date
39 of establishment

1 1. Former employees; benefits. All benefits pay-
2 able to former employees retired under the Maine Re-
3 vised Statutes of 1933, chapter 1, sections 227 to
4 233, as they existed immediately prior to July 1,
5 1942, shall be continued and paid hereafter from the
6 Retirement Allowance Fund at the full amounts stipu-
7 lated under those sections prior to that date. Any
8 additional amounts required to continue these bene-
9 fits shall be provided by an increase in the accrued
10 liability contribution otherwise payable to the Re-
11 irement Allowance Fund.

12 Article 2: Participating local districts

13 §19061. Service retirement benefits; employees of
14 participating local districts

15 1. Conditions. Upon written application to the
16 board setting forth the date upon which he chooses to
17 retire, any member with contributions on deposit in
18 the Members' Contribution Fund may retire upon meet-
19 ing the following conditions:

20 A. Any member in service may retire on or after
21 his 60th birthday, provided that he has been in
22 service for at least one year immediately before
23 retirement;

24 B. Any member not in service may retire on or
25 after his 60th birthday if he has at least 10
26 years of creditable service; or

27 C. Early retirement.

28 (1) Any member who has completed at least
29 25 years of creditable service may retire
30 any time before his 60th birthday. His re-
31 irement allowance shall be determined in
32 accordance with subsection 2, paragraphs A
33 and B, except that it shall be reduced by
34 multiplying the retirement allowance by a
35 fraction which represents the ratio of the
36 amount of a life annuity due at age 60 to
37 the amount of a life annuity due at the age
38 of retirement. The tables of annuities in
39 effect at the date of retirement shall be
40 used for this purpose.

1 (2) The minimum benefits provided for in
2 subsection 3 shall apply, if appropriate, to
3 retirement allowances computed under this
4 paragraph.

5 2. Amount. The service retirement allowance of a
6 member shall be determined under the provisions of
7 this chapter which are in effect on the member's date
8 of final termination of service. Subject to the mini-
9 imum benefits provided for in subsection 3, the total
10 amount of the retirement allowance of a member re-
11 ired in accordance with subsection 1, shall be equal
12 to the sum of 1/50 of the member's average final com-
13 ensation, multiplied by the number of years of his
14 creditable service.

15 3. Minimum benefits. Any member who has at least
16 10 years of creditable service at retirement shall be
17 entitled to a minimum retirement allowance of \$100
18 per month.

19 §19062. Special retirement plans

20 1. General provisions. A participating local
21 district, by filing with the board of trustees a duly
22 certified copy of its action, may provide, instead of
23 the retirement allowance provided for in this chap-
24 ter, a retirement allowance equal to 1/2 average fi-
25 nal compensation for members attaining age 60 and
26 having at least 30 years of creditable service. That
27 retirement allowance may be converted into a retire-
28 ment allowance of equivalent actuarial value as pro-
29 vided in section 19067.

30 A. A participating local district, by filing
31 with the board of trustees a duly certified copy
32 of its action, may provide instead of the retire-
33 ment benefits provided in this chapter, a retire-
34 ment benefit on the straight life plan to the
35 retiree during his lifetime, with 1/2 of the
36 amount of that benefit to be paid to his desig-
37 nated beneficiary who shall be a spouse or child
38 or children upon his death. If the beneficiary is
39 a spouse of the retiree, payment shall continue
40 during the lifetime of the spouse as long as he
41 does not become the dependent of another person.
42 If no spouse survives, a retirement allowance of

1 an equal amount shall be paid to a child under
2 the age of 18 years. When more than one child
3 survives, the retirement allowance shall be di-
4 vided equally among them. When any child reaches
5 age 18, the retirement allowance shall be divided
6 equally among the remaining child or children un-
7 til no eligible child remains. Payment shall be
8 made only to a legal guardian of the child or
9 children. Death or marriage of any child before
10 attainment of age 18 shall cause immediate can-
11 cellation of all subsequent payments to that
12 child. The cost of this retirement benefit to the
13 district may be paid into the retirement system
14 on a funded basis or on a pay-as-you-go basis,
15 whichever method is elected by the governing body
16 of the participating local district.

17 2. Special groups of employees. The following
18 are special groups of employees.

19 A. A member who is a member of a fire or police
20 department, including the chief of the department
21 or who is a sheriff or deputy sheriff may retire
22 after completion of 25 years of creditable ser-
23 vice in that capacity and upon attainment of age
24 55.

25 (1) Except as otherwise provided by this
26 section, the amount of the service retire-
27 ment allowance of a member retired in ac-
28 cordance with this subsection shall be equal
29 to 1/2 of this average final compensation,
30 and an additional 2% of his average final
31 compensation for each year of membership
32 service not included in the age and service
33 conditions for retirement under this subsec-
34 tion; or, if the retirement occurs at or af-
35 ter the attainment of age 60, equal to the
36 amount of his total service retirement al-
37 lowance as determined in accordance with
38 section 19061, if greater.

39 (2) A participating local district electing
40 these benefits may, by filing with the board
41 of trustees a duly certified copy of its ac-
42 tion, discontinue any such benefit as to
43 members of a fire or a police department,

1 including the chiefs of the department and
2 sheriffs and deputy sheriffs hired after the
3 effective date of the action only, and may
4 substitute for the benefit any other benefit
5 provided for by this chapter. Nothing in
6 this paragraph may be construed to affect in
7 any way the rights of public employees to
8 collectively bargain for terms and condi-
9 tions of employment.

10 (3) A participating local district, by fil-
11 ing with the board of trustees a duly cer-
12 tified copy of its actions, may provide an
13 additional retirement benefit for all em-
14 ployees eligible for retirement allowances
15 under this subsection of 2% of average final
16 compensation for each year of membership
17 service not included in the age and service
18 conditions for retirement.

19 (4) A participating local district, by fil-
20 ing with the board of trustees a duly certi-
21 fied copy of its actions, may provide an ad-
22 ditional retirement benefit for any class of
23 employees eligible for retirement allowances
24 under this subsection of 2% of average final
25 compensation for each year of membership
26 service in the eligible employment served
27 only after completion of the age and service
28 conditions for retirement and after the ef-
29 fective date of the action by the participa-
30 ting local district.

31 B. A member who is a police officer, including
32 the chief of a police department, who has at
33 least 25 years of service as a police officer may
34 retire upon attainment of age 55. The service re-
35 tirement allowance shall be equal to 66 2/3% of
36 his average final compensation or the district
37 may accept a retirement provision whereby any
38 member who is a police officer, including the
39 chief of the police department, who has 20 to 25
40 years of service as a police officer shall be
41 permitted to retire, regardless of age, upon com-
42 pletion of the number of years selected by the
43 district. A participating district which has se-
44 lected a retirement provision under this subsec-

1 tion may, by filing with the board of trustees a
2 duly certified copy of its action, discontinue
3 any such benefit as to policemen, including the
4 chief of a police department, hired after the ef-
5 fective date of the action only, and may substi-
6 tute for the benefit any other benefit provided
7 for by this chapter, including any other benefit
8 under this subsection. Nothing in this paragraph
9 may be construed to affect in any way the rights
10 of public employees to collectively bargain for
11 terms and conditions of employment.

12 C. A member who is a firefighter, including the
13 chief of a fire department, who has at least 25
14 years of service as a firefighter may retire upon
15 attainment of age 55. The service retirement al-
16 lowance shall be equal to 66 2/3% of his average
17 final compensation or the district may accept a
18 retirement provision whereby any member who is a
19 firefighter, including the chief of a fire de-
20 partment, who has 20 to 25 years of service as a
21 firefighter shall be permitted to retire, regard-
22 less of age, upon completion of the number of
23 years selected by the district. A participating
24 district which has selected a retirement provi-
25 sion under this subsection may, by filing with
26 the board of trustees a duly certified copy of
27 its action, discontinue any such benefit as to
28 firefighters, including the chief of a fire de-
29 partment, hired after the effective date of the
30 action only, and may substitute for the benefit
31 any other benefit provided for by this chapter,
32 including any other benefit under this subsec-
33 tion. Nothing in this paragraph may be construed
34 to affect in any way the rights of public employ-
35 ees to collectively bargain for terms and condi-
36 tions of employment.

37 D. If a sheriff or deputy sheriff dies as a re-
38 sult of injury received in civil process, his
39 surviving spouse, or, if none, his minor child or
40 children, shall receive a pension equal to 1/2 of
41 the average final compensation of the sheriff or
42 deputy sheriff at the time of his death. In no
43 way may that pension be less than \$1,000. The
44 pension shall be paid to the surviving spouse un-
45 til he dies or becomes the dependent of another

1 person, and to a child or children until they die
2 or reach the age of 18 years.

3 E. Substantially similar or equal retirement
4 benefits accruing to a law enforcement officer
5 under this section shall be interchangeable.

6 §19063. Disability retirement

7 1. Conditions. Any member shall receive a dis-
8 ability retirement allowance upon written application
9 to the executive director if the following conditions
10 are met:

11 A. He is less than 60 years old, or he has not
12 reached the earlier normal retirement age for his
13 particular group of employees;

14 B. While in service, he became mentally or phys-
15 ically incapacitated to the extent that it is im-
16 possible for him to perform the duties of his em-
17 ployment position and the incapacity is shown by
18 medical examination or tests to be permanent. The
19 examination or tests shall be conducted by a
20 qualified physician mutually agreed upon by the
21 executive director and member, at an agreed upon
22 place, and the costs shall be paid by the system;
23 and

24 C. For members with less than 5 years of contin-
25 uous creditable service immediately preceding
26 their application for a disability allowance, the
27 incapacity did not result from a physical or men-
28 tal condition which existed prior to the member's
29 latest membership, unless the incapacity has been
30 substantially aggravated by an injury or accident
31 received in the line of duty.

32 Any person who becomes a member of the system on or
33 after July 1, 1977, shall submit a statement of his
34 health to the executive director on forms prescribed
35 by the executive director. If the executive director
36 finds that additional information is necessary to de-
37 termine the extent of any preexisting disability, he
38 may require the member to undergo medical examina-
39 tions or tests which shall be conducted at a mutually
40 agreed upon place and shall be paid for by the re-

1 tiement system. This statement of health or examina-
2 tion or test result shall only be used to determine
3 eligibility for a disability retirement allowance un-
4 der this section.

5 Any member subject to this subsection who does not
6 submit the required statement of health, prior to his
7 application for disability benefits, shall not be el-
8 igible for those benefits unless he establishes to
9 the satisfaction of the executive director that he
10 meets the qualifications of this section.

11 2. Amount. The amount of a disability retirement,
12 allowance shall be 66 2/3% of the member's average
13 final compensation.

14 3. Commencement. Disability retirement allowance
15 payments shall commence at the date of termination of
16 active service of the member, but not more than 6
17 months prior to the date the executive director re-
18 ceives the written application. If the member shows
19 that it was not reasonably possible to file his ap-
20 plication within 6 months of his termination date and
21 that the application was filed as soon as reasonably
22 possible, the allowance shall be retroactive to the
23 date of termination.

24 4. Conditions under which a disability benefit
25 continues. A disability retirement benefit shall con-
26 tinue to be paid, unless it is changed to a service
27 retirement benefit under subsection 7, for 5 years
28 if, during that period, the beneficiary cannot per-
29 form the duties of his employment position. After
30 that period, the allowance shall continue only if the
31 beneficiary is unable to engage in any substantially
32 gainful activities for which he is qualified by
33 training, education or experience.

34 The executive director may require the beneficiary to
35 submit to annual medical examinations or tests for
36 the purpose of determining whether the beneficiary is
37 incapacitated. These examinations or tests shall be
38 conducted by a qualified physician, mutually agreed
39 upon by the executive director and beneficiary, at a
40 place also mutually agreed upon. The costs of the ex-
41 amination or tests shall be paid by the system. If
42 the beneficiary refuses to submit to an examination

1 or tests, his disability allowance shall cease until
2 he agrees to the examination or tests. If his refusal
3 continues for one year, all rights to any further
4 benefits under this section shall terminate.

5 For purposes of this subsection, the disability bene-
6 ficiary's average final compensation at retirement
7 shall be used to determine his earning capacity in
8 relation to his ability to engage in substantially
9 gainful activity. It shall be adjusted by the same
10 percentage, if any, as applied to the beneficiary's
11 retirement allowance under section 19069.

12 5. Earnings. The executive director shall re-
13 quire each beneficiary to submit an annual statement
14 of earnings received from any gainful occupation dur-
15 ing that year. For any year during which those earn-
16 ings exceed \$10,000, the excess shall be deducted
17 from any retirement allowance payments made to the
18 beneficiary during the next calendar year. These de-
19 ductions shall be prorated on a monthly basis, in an
20 equitable manner prescribed by the board, over the
21 year or part of the year for which benefits are re-
22 ceived. The beneficiary shall be liable to the re-
23 irement system for any excess earnings not so de-
24 ducted.

25 If a beneficiary does not submit an earnings state-
26 ment within 30 days of receiving a request from the
27 executive director, his disability retirement allow-
28 ance shall be discontinued until the statement is
29 submitted. If the statement is not submitted within
30 one year of receiving a request, all his rights to
31 any further benefits shall cease.

32 6. Reduction. A disability retirement allowance
33 shall be reduced if a disability beneficiary is re-
34 ceiving or has received payments for the same dis-
35 ability under either or both:

36 A. The Workers' Compensation Act, or similar
37 law, except for amounts which may be paid or pay-
38 able under Title 39, sections 56 or 56-A; or

39 B. The United States Social Security Act, if the
40 beneficiary was also covered under that Act on
41 the date of disability retirement.

1 The total of the allowance, not including adjustments
2 under section 19069, and either or both of the other
3 payments described in paragraphs A and B, shall equal
4 80% of the beneficiary's average final compensation.
5 The disability retirement allowance shall in no event
6 be reduced below the actuarial equivalent of the ben-
7 eficiary's accumulated contributions at the time of
8 retirement.

9 If the disability beneficiary has received a lump-sum
10 settlement of workers' compensation benefits, any
11 portion of that settlement not attributable to voca-
12 tional rehabilitation, attorneys' fees or medical ex-
13 penditures shall reduce the disability retirement allow-
14 ance in the same manner and amount as monthly work-
15 ers' compensation benefits. The reduction shall be
16 prorated on a monthly basis in an equitable manner
17 prescribed by the board.

18 If amounts paid or payable under workers' compensa-
19 tion or the amount of the lump-sum settlement or its
20 attribution are in dispute, those disputes shall be
21 settled by a single member of the Workers' Compensa-
22 tion Commission. Determinations of the commissioner
23 may be appealed in the manner provided by Title 39,
24 section 103-B.

25 7. Change to service retirement. Changes in ser-
26 vice retirement are as follows.

27 A. The disability retirement allowance of a ben-
28 eficiary shall cease on the 10th anniversary of
29 his normal retirement age, as defined in section
30 17001, subsection 19, or prior to that time,
31 whenever his service retirement allowance equals
32 or exceeds the amount of his disability retire-
33 ment allowance.

34 B. A service retirement allowance shall be paid
35 to the beneficiary commencing on the date the
36 disability retirement allowance terminates under
37 paragraph A.

38 §19064. Restoration to service

39 1. Disability retirees. The following applies to
40 disability retirees.

1 A. The following provisions apply to a disabili-
2 ty retiree who is restored to service. If the to-
3 tal of a disability beneficiary's annual retire-
4 ment allowance for any year, as adjusted under
5 section 19069, and earnable compensation for that
6 year exceeds his average final compensation at
7 retirement, adjusted by the same percentage as
8 his disability retirement allowance, the excess
9 shall be deducted from his following year's al-
10 lowance. Those deductions shall be equitably pro-
11 rated on a monthly basis, as prescribed by the
12 board, over the year, or part of the year, during
13 which benefits are received. The beneficiary
14 shall be liable to the retirement system for any
15 excess which is not deducted.

16 B. If the excess exceeds his annual disability
17 retirement allowance as adjusted, his retirement
18 allowance shall cease, and he shall again become
19 a member of the system, contributing at the same
20 rate he paid prior to retirement.

21 C. Upon subsequent retirement, his retirement
22 allowance shall be computed under section 19061,
23 but if the length of creditable service since his
24 last restoration to membership is less than 2
25 years the retirement allowance shall not exceed
26 the sum of:

27 (1) The total retirement allowance he was
28 receiving immediately before his last resto-
29 ration to membership; and

30 (2) The allowance to which he would be en-
31 titled as a result of his creditable service
32 since his last restoration to membership.

33 2. Nondisability retirees. The following provi-
34 sions shall apply to a nondisability retiree who is
35 restored to service.

36 A. If the total of a nondisability retiree's an-
37 nuual retirement allowance for a calendar year, as
38 adjusted under section 19069 and earnable compen-
39 sation for that year, exceeds his average final
40 compensation at retirement, adjusted by the same
41 percentage as his retirement allowance, the ex-

1 cess shall be deducted from his following year's
2 retirement allowance. Those deductions shall be
3 equitably prorated on a monthly basis, as pre-
4 scribed by the board, over the year, or part of
5 the year, during which benefits are received. The
6 beneficiary shall be liable to the retirement
7 system for any excess which is not deducted.

8 B. If the excess earnings exceed his retirement
9 allowance as adjusted, the allowance shall cease
10 and he shall again become a member of the system,
11 contributing at the current rate. Upon subsequent
12 retirement, his retirement allowance shall be
13 computed under section 19061

14 3. Recomputation. Any retiree, including a dis-
15 ability retiree, who was restored to active service
16 after July 1, 1947, and who subsequently retired may
17 have his allowance recomputed in accordance with sub-
18 section 2, paragraph B, effective as of the date of
19 last retirement and shall have his benefit adjusted
20 if that recomputation results in a higher benefit
21 than the retiree is receiving.

22 §19065. Ordinary death benefits

23 1. Death before eligibility for retirement. If a
24 member who is in service or a former member who is a
25 beneficiary receiving a disability retirement allow-
26 ance dies at any time before completing the age and
27 service conditions for retirement, one of the follow-
28 ing payments shall be made.

29 A. A lump-sum payment shall be made as follows.

30 (1) The member's or former member's accumu-
31 lated contributions shall be paid to the
32 member's or former member's beneficiary, un-
33 less the beneficiary, if eligible, has and
34 selects benefits under paragraphs B and C.
35 The designation of a beneficiary must be
36 filed in writing with the executive director
37 prior to the member's or former member's
38 death. The last designation revokes all pre-
39 vious designations.

1 (2) If a member or former member is not
2 survived by a designated beneficiary or has
3 not designated a beneficiary, the accumu-
4 lated contributions shall be paid to the
5 first of the following listed relatives
6 alive at the member's or former member's
7 death unless that person is eligible for and
8 selects benefits under paragraphs B and C:

9 (a) The spouse;

10 (b) The child or children, share and
11 share alike;

12 (c) The older parent; or

13 (d) The surviving parent;

14 (3) If none of the relatives listed in sub-
15 section 2 survive the member or former mem-
16 ber, the accumulated contributions shall be
17 paid to the member's or former member's es-
18 tate.

19 B. Instead of accepting the payment provided in
20 paragraph A, the first of the following persons,
21 if designated as a beneficiary by the member or
22 former member, may elect to receive the benefits
23 described in paragraph C: The spouse; the child
24 or children; the mother or father; or the mother
25 and father.

26 If no designation was made, or if the designated
27 beneficiary did not survive the member or former
28 member, the first of the following listed persons
29 alive at the death of the member or former member
30 may elect to receive the benefits described in
31 paragraph C: The spouse; the child or children;
32 or the parents or parent.

33 C. The persons electing benefits under paragraph
34 B shall receive the following benefits.

35 (1) The spouse shall receive \$150 a month,
36 beginning the first month after the member
37 or former member's death and continuing un-
38 til the spouse dies, provided:

1 (a) The deceased member or former mem-
2 ber had 10 years of creditable service
3 at the time of his death;

4 (b) The surviving spouse is certified
5 by the medical board to be permanently
6 mentally incompetent or permanently
7 physically incapacitated and determined
8 by the executive director to be unable
9 to engage in any substantially gainful
10 employment;

11 (c) The spouse has attained the age of
12 60 years; or

13 (d) The spouse has the responsibility
14 for the care of the child or children
15 of the deceased member or former mem-
16 ber. Payment shall begin the first
17 month after the death of the member or
18 former member and continue while the
19 child or children are in the spouse's
20 care and so long as at least one child
21 meets the definition of "child" as set
22 forth in section 17001, subsection 7.

23 (2) The child or children of the deceased
24 member or former member shall receive bene-
25 fits as follow.

26 (a) One child shall be paid \$150 a
27 month.

28 (b) Two children shall be paid \$225 a
29 month, which shall be divided equally
30 among them.

31 (c) Three children or more shall be
32 paid \$300 a month, which shall be di-
33 vided equally among them.

34 The benefits shall begin the first month af-
35 ter the member's or former member's death
36 and are payable to each child as long as he
37 meets the definition of child set forth in
38 section 17001, subsection 7. When any child
39 becomes ineligible to receive benefits under

1 this subparagraph, the other children, if
2 any, shall continue to receive benefits in
3 accordance with the schedule in this subpar-
4 agraph.

5 (3) A surviving parent who is at least 60
6 years of age or when that age is attained
7 shall be paid \$150 a month. If both parents
8 are eligible for benefits under this section
9 and elect benefits under this subparagraph,
10 the older parent shall receive \$150 a month
11 and the younger parent shall receive \$105 a
12 month. Upon the death of either parent, the
13 survivor shall receive \$150 a month. The
14 payments to any parent shall begin the first
15 month after the member's or former member's
16 death and continue until death. Benefits are
17 only payable under this subparagraph in the
18 event no other benefits have been received
19 under subparagraph (1) or (2).

20 D. A member may file an affidavit with the exec-
21 utive director specifying that his accumulated
22 contributions be refunded to a designated benefi-
23 ciary or to his estate instead of any payment to
24 survivors as provided in paragraphs B and C.

25 E. If any person becomes entitled to benefits
26 under this section and dies before either the re-
27 fund check or the initial survivor benefit check
28 is endorsed and presented to a holder in due
29 course, then it shall be treated as if the person
30 had predeceased the member or former member.

31 F. Any person who may choose between lump-sum
32 and periodic payment under this section may exer-
33 cise that option at any time until the refund
34 check or the initial survivor benefit payment
35 check is endorsed and presented to a holder in
36 due course.

37 2. Death after eligibility for retirement. Bene-
38 fits for a beneficiary of a member who dies after be-
39 coming eligible for retirement are as follows.

40 A. If a member or former member who receives a
41 disability retirement allowance dies after meet-

1 ing the age and service conditions for retirement
2 under any of the provisions of this chapter but
3 before the retirement allowance becomes effec-
4 tive, the first of the following listed persons;
5 the designated beneficiary, the spouse, the moth-
6 er and the father who survives the member or
7 former member may receive a retirement allowance
8 under section 19068, Option 2, as if the deceased
9 had died on the date his retirement allowance be-
10 came effective. If this allowance is less than
11 \$10 a month, the beneficiary may elect, before
12 the allowance begins, to receive a lump sum which
13 is the actuarial equivalent at the date of death
14 of the retirement allowance payments.

15 (1) If the designated beneficiary is the
16 spouse, child or children, mother or father,
17 he may elect to receive benefits under sub-
18 section 1, instead of the Option 2 benefit.

19 (2) The first listed person who is not a
20 designated beneficiary may elect, before the
21 allowance begins, to receive the deceased's
22 accumulated contributions in a lump sum.

23 B. If none of the payments provided for in para-
24 graph A are made, the accumulated contributions
25 of the deceased shall be paid to his estate.

26 3. Election of benefits. The benefits described
27 in this section shall be instead of any benefits pay-
28 able under section 19067.

29 Any person entitled to receive benefits under this
30 section may elect, before benefit payments begin, to
31 receive benefits under section 19067 instead of these
32 benefits, if all requirements of that section are
33 met.

34 4. Cost-of-living adjustments. Payments made un-
35 der subsection 1, paragraphs B and C, shall be ad-
36 justed pursuant to section 19069 in the same manner
37 as retirement allowances.

38 §19066. Optional death benefits

1 By filing with the board a certified copy of its
2 action, a participating local district may provide
3 the following survivor benefit option in addition to
4 benefits under section 19065.

5 1. Creditable service. If the deceased member or
6 former member had at least 20 years of creditable
7 service at the time of his death, the first of the
8 following designated beneficiaries may elect to sub-
9 stitute the benefits described in subsection 2 for
10 those benefits provided in section 19065, subsection
11 1, paragraph A, B or C. The designated beneficiaries
12 are:

13 A. The spouse;

14 B. The child or children; and

15 C. The parent or parents.

16 If no designation was made, the first of the persons
17 listed in paragraph A, B or C, who survives the de-
18 ceased may exercise the option established by this
19 section.

20 Participating local districts which adopt this sec-
21 tion may omit persons from the list. Any change in
22 the list after the district has adopted this section
23 shall be made as provided in section 17036.

24 2. Option. The beneficiary who exercises his op-
25 tion under this section shall receive a retirement
26 allowance computed under section 19061, subsection 2,
27 subject to any reduction required in section 19061,
28 subsection 1, paragraph C, subparagraph (1), as if
29 the deceased had retired on the date of his death.
30 The retirement allowance shall be paid in accordance
31 with section 19068, Option 2.

32 3. Participating local districts. Participating
33 local districts which adopt this section shall desig-
34 minate the date upon which it will become effective. If
35 the designated effective date is past, persons who
36 began receiving benefits under section 19065, subsec-
37 tion 1, paragraph C, after that date may elect to
38 substitute the benefits of this section. Benefit
39 recomputations and payments to all persons who elect

1 to receive benefits under this section shall become
2 effective as of the first day of the month after no-
3 tification to the board of the adoption of this sec-
4 tion.

5 Persons currently receiving benefits under sec-
6 tion 19065, subsection 1, paragraph C, who are eligi-
7 ble for and select an option to receive benefits un-
8 der this section must apply in writing to the execu-
9 utive director and their applications must be received
10 within 6 months after the notification of the board
11 by the participating local district of its adoption
12 of this section.

13 §19067. Accidental death benefits

14 1. Benefit. If a member or a former member who
15 is receiving a disability retirement allowance dies
16 as a result of an injury received in the line of du-
17 ty, benefits are paid as follows.

18 A. If the deceased is survived by a spouse and
19 if there is no surviving child, a benefit of 2/3
20 of the deceased's average final compensation
21 shall be paid to the spouse, in monthly
22 installments.

23 B. If the deceased is survived by a spouse and a
24 child or children, an annual benefit of the full
25 amount of the deceased's average final compensa-
26 tion shall be paid to the spouse and the child or
27 children jointly in monthly installments.

28 C. If the deceased is survived only by a child
29 or children, an annual benefit of the full amount
30 of the deceased's average final compensation
31 shall be paid to the child or children jointly in
32 monthly installments.

33 2. Reduction and termination. Reduction and ter-
34 mination are as follows.

35 A. The benefits provided by this section shall
36 be paid to a spouse, if there is no child, until
37 the spouse dies.

1 B. The benefits provided by this section shall
2 be paid to a surviving child or children, if
3 there is no surviving spouse, until the child or
4 children die or until they no longer meet the
5 definition of child.

6 C. The benefits provided by this section shall
7 be paid to a spouse and a child or children un-
8 til:

9 (1) The spouse dies, in which case the pay-
10 ments shall continue to the child or chil-
11 dren until they die or until the youngest
12 child no longer meets the definition of
13 child; or

14 (2) The child or children die or the youn-
15 gest child no longer meets the definition of
16 child, in which case the payment to the
17 spouse shall be reduced to 2/3 of the
18 deceased's average final compensation until
19 the spouse dies.

20 3. Election of benefits. The benefits provided
21 by this section shall be in lieu of any benefits pay-
22 able under section 19065 or any death benefits pay-
23 able under section 19062.

24 Any person entitled to receive benefits under
25 this section may elect, before benefit payments be-
26 gin, to receive benefits under section 19065, instead
27 of these benefits, if all the requirements of that
28 section are met.

29 §19068. Payment of regular retirement allowances

30 1. Normal method of payment. All retirement al-
31 lowances calculated under sections 19061 and 19062,
32 shall be paid for life in equal installments. When
33 death occurs, the last monthly installment shall be
34 adjusted to reflect the date of death.

35 2. Optional methods of payment. Instead of pay-
36 ment under subsection 1, a retiree may elect to re-
37 ceive a reduced retirement allowance under one of the
38 4 options in subsection 3. The optional allowance
39 shall be computed actuarially, based on the option

1 selected. It shall be payable for life with benefits
2 payable after the retiree's death to a beneficiary
3 designated by him in writing, duly acknowledged and
4 filed with the executive director at the time of re-
5 irement.

6 The retiree may elect one of the options by written
7 request to the executive director prior to commence-
8 ment of payment of the retirement allowance. The
9 election may be revoked by written notice to the ex-
10 ecutive director at any time before the regular re-
11 irement allowance commences.

12 3. Options. After the retiree's death, the des-
13 ignated beneficiary shall receive:

14 Option 1. The retiree's accumulated contributions at
15 the time of his retirement, reduced by the portion of
16 the total retirement allowance payments actually made
17 to him during his lifetime which is actuarially as-
18 cribed to his contributions. If the beneficiary does
19 not survive the retiree, it shall be paid to his es-
20 tate. No contributions deducted from the compensation
21 of a teacher before July 1, 1947, or required of a
22 teacher for service credit prior to that time, may be
23 included in these accumulated contributions;

24 Option 2. For life, a monthly benefit equal to the
25 amount received by the retiree;

26 Option 3. For life, a monthly benefit equal to 1/2
27 of the amount received by the retiree; or

28 Option 4. Some other benefit, provided that the to-
29 tal value of the retiree's allowance and of the suc-
30 ceeding benefit are of equivalent actuarial value to
31 the allowance the retiree would have received under
32 subsection 1. The method used to determine this ben-
33 efit shall be approved by the board.

34 §19069. Cost-of-living adjustments for participating
35 local districts

36 Participating local districts may adopt a plan
37 for cost-of-living adjustments to retirement allow-
38 ances by applying to the board and describing the
39 proposed plan. When the board accepts the plan, the

1 district shall adopt it, using the procedure de-
2 scribed in section 18031, subsection 1, and shall
3 supply to the executive director a certified copy of
4 its action and a statement agreeing to pay its costs.

5 SUBCHAPTER VII

6 GROUP LIFE INSURANCE

7 ARTICLE 1

8 STATE EMPLOYEES AND TEACHERS

9 §19201. Authorization and administration

10 The board is the sole group authorized to pur-
11 chase for the State from one or more life insurance
12 companies a policy or policies of life insurance, as
13 defined by Title 24-A, section 702

14 1. Policies. Proposals may be solicited for the
15 purchase of the insurance from one or more insurance
16 companies on a competitive basis. An existing policy
17 or policies may be renegotiated.

18 2. Licensed company. Any policy or policies
19 purchased shall be from a company or companies li-
20 censed under the laws of this State.

21 3. Limitations. All provisions of a policy or
22 policies shall be subject to the limitations of Title
23 24-A, sections 2601 to 2628.

24 4. Benefits not reduced. No provisions of the
25 policy or policies may reduce the benefits granted
26 under this subchapter.

27 5. Master policy and certificates. The insur-
28 ance company or companies shall issue a master policy
29 to the retirement system and a certificate of cover-
30 age to each participant setting forth the benefits to
31 which the participant is entitled.

32 6. Mandatory policy provisions. Each policy
33 shall contain provisions for waiver of premiums in
34 the event of total and permanent disability and tem-
35 porary extension of coverage and conversion to an in-

1 dividual policy of life insurance in the event sepa-
2 ration from service by the employee.

3 7. Payment of premiums. Payment of premiums for
4 group life insurance shall be on the basis determined
5 by the board to be actuarially sufficient to pay an-
6 anticipated claims.

7 8. Dividend distribution. Each year upon re-
8 ceipt of the annual report submitted by the under-
9 writer, the board shall review all phases of the
10 group life insurance program and shall, within 90
11 days of receipt of the annual report, determine the
12 reserves necessary to pay anticipated claims and the
13 method of distribution of any accumulations above
14 those reserves.

15 9. Rules. The board may, in accordance with
16 chapter 375, subchapter II, promulgate rules neces-
17 sary to give effect to this subchapter.

18 10. Expenses. All expenses of the retirement
19 system incurred in the administration and operation
20 of a life insurance policy or policies shall be reim-
21 bursed from premium rate adjustments, dividends or
22 interest earnings on reserves.

23 11. Report. The board shall publish annually a
24 report of the activities of the group life insurance
25 program.

26 §19202. Eligibility

27 Group life insurance shall be available to elec-
28 tive and appointive officers and employees of the
29 state and teachers eligible for membership in the
30 Maine State Retirement System and to judges eligible
31 for membership in the Maine Judicial Retirement Sys-
32 tem. The board by rule may provide for the exclusion
33 of employees on the basis of nature and type of em-
34 ployment or conditions, such as, but not limited to,
35 temporary or project employment. No employee or
36 group of employees may be excluded solely on the ba-
37 sis of the hazardous nature of employment.

38 §19203. Type and amount of insurance

1 The following coverages shall be available.

2 1. Basic insurance. Life insurance and acciden-
3 tal death and dismemberment insurance, to be known as
4 basic insurance, shall be available to all eligible
5 participants.

6 A. The amount of life insurance to be paid in
7 the event of death shall be the amount of the
8 participant's annual compensation rounded up to
9 the next \$1,000. A participant insured under
10 this policy shall be automatically covered for
11 any change in the coverage due to a change in an-
12 ual compensation. The change in coverage shall
13 coincide with the effective date of the change in
14 annual compensation rate.

15 B. The accidental death and dismemberment insur-
16 ance shall provide payments as follows:

17 <u>Loss</u>	<u>Amount Payable</u>
18 <u>Loss of life by</u> 19 <u>accident</u>	<u>An additional amount</u> <u>equal to that provided</u> 20 <u>under paragraph A</u>
21 <u>Loss of 2 or more</u> 22 <u>limbs or loss of</u> 23 <u>sight of both eyes or</u> 24 <u>loss of one limb and</u> 25 <u>loss of sight of one</u> 26 <u>eye</u>	<u>The amount provided</u> <u>under paragraph A</u>
27 <u>Loss of one hand or</u> 28 <u>one foot or sight of</u> 29 <u>one eye</u>	<u>One-half the amount</u> <u>provided under</u> <u>paragraph A</u>

30 For any one accident the aggregate amount of group
31 accidental death and dismemberment insurance that may
32 be paid shall not exceed the amount provided under
33 paragraph A.

34 2. Supplemental insurance. Each participant
35 purchasing insurance under paragraph A, may purchase
36 additional insurance coverage known as Supplemental
37 Insurance, in an amount equal to that provided in
38 paragraph A.

1 3. Dependent life insurance. Each participant
2 may purchase insurance on the life of a dependent not
3 insured by this group life insurance under one, but
4 not both, of the following plans:

	<u>Plan A</u>	<u>Plan B</u>
5		
6 <u>Spouse</u>	<u>\$5,000</u>	<u>\$10,000</u>
7 <u>Unmarried, full-time</u>		
8 <u>students to age 22</u>	<u>\$5,000</u>	<u>\$5,000</u>
9 <u>Children, 6 months to</u>		
10 <u>age 19</u>	<u>\$5,000</u>	<u>\$5,000</u>
11 <u>Children 0 to 6 months</u>	<u>\$1,000</u>	<u>\$2,500</u>

12 This insurance may be purchased subject to the
13 limitations of Title 24-A, section 2611-A. The num-
14 ber of dependents shall not affect the premium rate.

15 §19204. Payments on death

16 1. Claim. Any benefit payable under basic in-
17 surance and supplemental insurance in force for any
18 employee at the date of his death shall be paid, upon
19 the establishment of a valid claim, in the following
20 order:

21 A. To the beneficiary or beneficiaries desig-
22 nated by the employee in a written document re-
23 ceived in the employing office prior to death;

24 B. If there is no designated beneficiary, to the
25 surviving spouse of the employee;

26 C. If there is no designated beneficiary or sur-
27 viving spouse, to the child or children of the
28 employee and descendants of deceased children;

29 D. If there is no designated beneficiary, sur-
30 viving spouse or child or children, to the sur-
31 viving parent or parents of the employee; and

32 E. If there is no designated beneficiary, sur-
33 viving spouse, child or children or parent or
34 parents, to the estate of the employee.

1 §19205. Employee automatically insured except as
2 provided

3 All employees eligible for insurance under the
4 terms of this subchapter are automatically insured
5 for basic insurance commencing on the date they first
6 become eligible. Any employee may elect not to be
7 insured by giving written notice on the appropriate
8 form to his employing office that he wishes not to be
9 insured. If that notice is received before the em-
10 ployee has become insured under the policy, he shall
11 not be insured; if it is received after he has become
12 insured, his insurance under the policy will cease,
13 effective with the end of the pay period during which
14 the notice is received by the employing office. Any
15 person who elects not to be insured may subsequently
16 apply for insurance, but will be required to produce
17 evidence of insurability, at his own expense and in
18 accordance with the requirements of the board.

19 §19206. Separation from service; termination of cov-
20 erage

21 1. Separation from service without retire-
22 ment. The group life insurance on any employee shall
23 cease upon his separation from service, subject to
24 provisions of the policy.

25 2. Separation by retirement. If, upon the date
26 on which the insurance would otherwise cease, the em-
27 ployee retires, in accordance with this chapter, his
28 basic life insurance only shall be continued without
29 cost to him and in the amounts provided in section
30 19203, subsection 1.

31 A. On retirement, for reasons other than dis-
32 ability, the average amount of basic insurance in
33 force for the last 3 years prior to retirement
34 shall be continued in force at not cost to the
35 participant, provided that he has participated in
36 the group life insurance program for a minimum of
37 10 years immediately prior to retirement. The
38 average amount shall be reduced at the rate of
39 15% a year to a minimum of 40% of the average
40 amount or \$2,500, whichever is greater. In de-
41 termining benefits under this section, the reduc-
42 tions shall become effective at 12:01 a.m. of the

1 day following the first year anniversary of the
2 date of retirement and each succeeding retirement
3 anniversary until the minimum has been reached.

4 The reduction on retirement at the rate of 15% a
5 year of the average amount of insurance for the
6 last 3 years prior to retirement shall not apply
7 to any Justice of the Supreme Judicial Court or
8 Superior Court, to any Judge of the District
9 Court or Administrative Court nor to any workers'
10 compensation commissioner not to any retired jus-
11 tice or judge who was insured and who is living
12 on September 13, 1979. The average amount of in-
13 surance referred to in this paragraph for any
14 justice or judge shall be continued in force at
15 no cost to the justice or judge until 70 years of
16 age. At the age of 70 years, the amount of in-
17 surance in force will become 25% of the average
18 amount of insurance.

19 B. On retirement for disability, the amount of
20 basic insurance in force at the time of retire-
21 ment shall be continued in force at no cost to
22 the participant until normal retirement age, af-
23 ter which, the amount shall be reduced, as pro-
24 vided in paragraph A.

25 ARTICLE II

26 LOCAL DISTRICT EMPLOYEES

27 §19221. Participating local districts; eligibility

28 The employees of any participating local district
29 may participate in the group life insurance program
30 to the full extent of the benefits provided for in
31 this subchapter. Initially, 75% of the eligible em-
32 ployees of the district shall be the minimum number
33 permissible as a covered group.

34 Employees of a participating local district who
35 are covered under the basic life insurance plan shall
36 also be eligible for the supplemental and dependent
37 insurance if the local district elects to adopt these
38 benefit plans.

1 The chief fiscal officer of a participating local
2 district shall submit to the board any information
3 with respect to the employees of the district re-
4 quired by the board in order to carry out the provi-
5 sions of this subchapter and shall pay the pro rata
6 cost of any premiums and expenses levied by the board
7 of trustees.

8 §19222. Decision to participate

9 A local district may elect to participate in the
10 group life insurance program upon the terms and con-
11 ditions of this section.

12 1. Procedure. The election to join may be ac-
13 complished only by a majority vote of the executive
14 body, or for a town which has a town meeting form of
15 government, by the voters of the town at a town meet-
16 ing approving the participation and those portions of
17 the program which apply.

18 2. Certification. The local district shall
19 cause to be filed with the board a copy of the reso-
20 lution of the executive body or a record of the vote
21 of the town voters certified by the clerk.

22 3. Effective date. Participation by the local
23 district in the group life insurance plan shall begin
24 not more than 6 months following receipt of the cer-
25 tified copy of the vote.

26 §19223. Withdrawal of local districts

27 1. Withdrawal authorized. Any participating lo-
28 cal district may withdraw from further participation
29 in the group life insurance program upon the terms
30 and conditions of this section.

31 2. Procedure. The withdrawal may be accom-
32 plished only by a majority vote of the executive
33 body, or for a town which has a town meeting form of
34 government, by the voters of the town at a town meet-
35 ing.

36 3. Continuous coverage. In order to provide
37 continuous insurance coverage, withdrawal is not ef-
38 fective until equivalent coverage is made available

1 to active and retired employees of the participating
2 local district.

3 4. Certification. The executive body of the
4 district, or its designee, shall certify to the board
5 the results of a vote by the executive body or by the
6 town voters to withdraw from further participation in
7 the group life insurance program. That certification
8 shall include certification that the equivalent cov-
9 erage required by subsection 3 has been provided.

10 5. Effective date. The withdrawal shall become
11 effective on the last day of the last full pay period
12 before the end of the month following the month in
13 which the certification notice is received by the
14 board of trustees.

15 Sec. 3. Transition. The following provisions
16 shall apply to the transition from the Maine Revised
17 Statutes, Title 5, chapter 101 to the Maine Revised
18 Statutes, Title 5, chapter 501.

19 1. Benefits. When this Act goes into effect, it
20 shall make no change in the level of benefits or eli-
21 gibility for benefits existing under the Maine Re-
22 vised Statutes, Title 5, chapter 101.

23 2. Personnel. When this Act goes into effect, it
24 shall have no effect on the terms of employees or of-
25 ficers employed or appointed under the provisions of
26 the Maine Revised Statutes, Title 5, chapter 101.

27 3. Contracts, leases, agreements, authoriza-
28 tions, notes or bonds. All contracts, leases, agree-
29 ments, authorizations, notes or bonds issued under
30 the Maine Revised Statutes, Title 5, chapter 101,
31 prior to the effective date of this Act, shall con-
32 tinue to be valid under the terms of issuance until
33 they expire or are rescinded, amended or revoked.

34 Sec. 4. Effective date. This Act shall take ef-
35 fect on January 1, 1986.

36 STATEMENT OF FACT

37 This bill is a recodification of the State Re-
38 tirement System laws. It is the result of the effort

1 of the Joint Standing Committee on Aging, Retirement
2 and Veterans working with the retirement system to
3 clarify existing law by reorganizing the law in a
4 more useable way and to remove ambiguities,
5 inconsistencies and duplication in the law. The bill
6 makes no substantive changes in existing law.

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