

# MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION  
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE  
4

5 Legislative Document

No. 1789

6  
7 H.P. 1272

House of Representatives, January 9, 1986

8 Approved for introduction by a majority of the Legislative Council  
pursuant to Joint Rule 26.

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

10 EDWIN H. PERT, Clerk

Presented by Representative Hickey of Augusta.

Cosponsored by Senator Gauvreau of Androscoggin, Senator Clark of  
Cumberland and Representative Crowley of Stockton Springs.

11  
12 STATE OF MAINE  
13

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

17 AN ACT to Grandfather Current Employees  
18 Regarding the Purchase of Military  
19 Service Time.  
20

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

23 5 MRSA §1094, sub-§13, as amended by PL 1985, c.  
24 365, §7 and as repealed and replaced by PL 1985, c.  
25 502, is repealed and the following enacted in its  
26 place:

27 13. Military service credit. Military service  
28 shall be credited as follows.

29 A. Anything to the contrary notwithstanding,  
30 military service shall be credited to all state  
31 employees for full-time active duty as a member  
32 of the Armed Forces of the United States:

33 (1) Who joined the retirement system prior  
34 to September 19, 1985, and who are unable to

1 otherwise qualify for military service cred-  
2 its; or

3 (2) Who joined the retirement system after  
4 September 18, 1985, and who are unable to  
5 otherwise qualify for military service cred-  
6 it or benefits from other retirement plans  
7 according to rules to be established by the  
8 board of trustees.

9 A state employee shall be entitled to this credit  
10 only if at point of retirement he has at least 15  
11 years of creditable service in the Maine State  
12 Retirement System. The member shall contribute  
13 to the retirement system for each year of mili-  
14 tary service claimed that percentage of contribu-  
15 tion required of active members during the period  
16 of time covered by the military service applied  
17 to the earnable compensation paid that member  
18 during the first year of state employment subse-  
19 quent to service in the Armed Forces of the  
20 United States, together with interest at 2%  
21 greater than regular interest from January 1,  
22 1976, or the date of attaining 15 years of cred-  
23 itable service, if later, to the date of payment;  
24 5% shall be the minimum rate of contribution. In  
25 the event 2 or more percentages of contribution  
26 were in effect during the period of military ser-  
27 vice, the greatest percentage of contribution  
28 shall govern. Credit for military service under  
29 this subsection shall be limited to 4 years.  
30 Credit shall be available to those persons who  
31 were separated under conditions other than dis-  
32 honorable from the Armed Forces of the United  
33 States.

34 A local district may elect, with regard to spe-  
35 cial retirement plans under section 1092, subsec-  
36 tion 3, and section 1121, subsections 4, 8 and 9,  
37 that military service credits under this subsec-  
38 tion shall only apply to additional retirement  
39 benefits under section 1092, subsection 3-A, and  
40 shall not apply to age or service requirements of  
41 retirement. Nothing in this paragraph may be con-  
42 strued to affect in any way the rights of public  
43 employees to collectively bargain for terms and  
44 conditions of employment.

1       It is the intent that these provisions shall ap-  
2       ply to all persons, active or retired, but that  
3       for those already retired the effective date of  
4       any adjustment shall be not earlier than that  
5       date on which the time or credit is certified to  
6       the Maine State Retirement System. This subsec-  
7       tion shall not apply to any member who begins  
8       membership on or after January 1, 1976.

9       B. Any member not entitled to receive military  
10       service credit pursuant to paragraph A or section  
11       1091, subsection 6, who served on full-time ac-  
12       tive duty as a member of the Armed Forces of the  
13       United States at any time from August 5, 1964, to  
14       May 7, 1975, and was separated under conditions  
15       other than dishonorable, may be granted credit-  
16       able service for that military service. Credit  
17       for military service under this paragraph shall  
18       be limited to 4 years. A member shall be enti-  
19       tled to this credit only if at point of retire-  
20       ment he has at least 15 years of membership ser-  
21       vice and is unable to qualify for military ser-  
22       vice credits or benefits from any other retire-  
23       ment plan, according to the rules established by  
24       the board of trustees. The member shall contrib-  
25       ute to the retirement system for the period of  
26       military service at the rate prescribed by sec-  
27       tion 1095 applied to his earnings during the 12  
28       months preceding the month in which he pays or  
29       begins payment of the required contributions.  
30       Interest at a rate not to exceed regular interest  
31       by more than 5 percentage points as set by the  
32       board shall be paid on the unpaid balance from  
33       the first day of the month in which the member  
34       begins payment to the date payment is completed.  
35       A participating local district that has adopted  
36       paragraph A as part of its plan may adopt this  
37       paragraph as part of its plan and may elect, with  
38       regard to special retirement plans under section  
39       1092, subsection 3, and section 1121, subsections  
40       4, 8 and 9, that military service credit under  
41       this subsection shall apply only to additional  
42       retirement benefits under section 1092, subsec-  
43       tion 3-A, and shall not apply to service require-  
44       ments of retirement. Nothing in this paragraph  
45       may be construed to affect in any way the rights  
46       of public employees to bargain collectively for

1 terms and conditions of employment. This para-  
2 graph shall not apply to any member who begins  
3 membership after December 31, 1987.

4 STATEMENT OF FACT

5 In the First Regular Session of the 112th Legis-  
6 lature, the Legislature passed a bill to disallow  
7 state employees the right to purchase service time  
8 for prior military service if they received a pension  
9 for that time from the Federal Government or other  
10 pension system. This bill clarifies that the change  
11 applies only to state employees joining the retire-  
12 ment system after the effective date of that Act and  
13 grandfathers employees employed before that date.

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