

MAINE STATE LEGISLATURE

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(EMERGENCY)
(New Draft of S.P. 691, L.D. 1777)
SECOND REGULAR SESSION

ONE HUNDRED AND TWELFTH LEGISLATURE

Legislative Document

No. 2202

S.P. 872

In Senate, March 17, 1986

Reported by Senator Clark of Cumberland from the Committee on Aging, Retirement and Veterans and printed under Joint Rule 2. Original bill sponsored by Senator Clark of Cumberland. Cosponsored by Representative McGowan of Canaan and Senator Najarian of Cumberland.

JOY J. O'BRIEN, Secretary of the Senate

STATE OF MAINE

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

Resolve, to Establish a Commission to Study
the Integration of the Maine State
Retirement System with the Social
Security System.

Emergency preamble. Whereas, Acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the United States Congress is actively considering various proposals for the mandatory coverage of all state and municipal employees under the United States Social Security or Medicare; and

Whereas, the Legislature needs to have assessed the components of the 2 systems before they can act on methods of integrating them if that is required by the Federal Government; and

1 Whereas, in order to ease the burden on the
2 staffs of the State Planning Office and the Maine
3 State Retirement System and thereby avoid the added
4 costs inherent in rush requests for information; and

5 Whereas, for these reasons it is desirable for
6 the commission to start work as soon as possible; and

7 Whereas, in the judgment of the Legislature,
8 these facts create an emergency within the meaning of
9 the Constitution of Maine and require the following
10 legislation as immediately necessary for the preser-
11 vation of the public peace, health and safety; now,
12 therefore, be it

13 Integration of the Maine State Retirement System
14 and United States Social Security. Resolved: That
15 the Federal Government is moving in the direction of
16 universal mandatory coverage of the United States So-
17 cial Security System; and be it further

18 Resolved: That prior to any federally mandated
19 inclusion of members of the Maine State Retirement
20 System into the United States Social Security System,
21 or voluntary election of membership by the State and
22 its employees, there needs to be a review of the ben-
23 efit structures and costs of both systems to deter-
24 mine the impact on State Government and local govern-
25 ment and their employees of developing an integrated
26 system; and be it further

27 Joint Select Commission to study the integration
28 of the Maine State Retirement System with the United
29 States Social Security System formed; appointment;
30 expenses. Resolved: That there shall be formed a
31 Joint Select Commission to Study the Integration of
32 the Maine State Retirement System with the United
33 States Social Security System comprised of the fol-
34 lowing members.

35 1. The following members shall be appointed by
36 the President of the Senate and the Speaker of the
37 House of Representatives: Two members of the Senate
38 appointed by the President of the Senate; 2 members
39 of the House of Representatives appointed by the
40 Speaker of the House of Representatives.

1 2. Three public members shall be appointed by
2 the Governor.

3 3. The members of the commission shall be paid
4 reasonable expenses and a per diem equal to the leg-
5 islative per diem; and be it further

6 Chairman. Resolved: That the members of the
7 commission shall select one of their members to be
8 chairman of the commission; and be it further

9 Report. Resolved: That this Joint Select Com-
10 mission to Study the Integration of the Maine State
11 Retirement System with the United States Social Secu-
12 rity System shall prepare and present a report to the
13 Governor and the Legislature no later than January 1,
14 1987. This report shall include, but not be limited
15 to:

16 1. A review of the public policy under which the
17 United States Social Security System was established
18 and the conditions under which State Government and
19 local government may establish independent systems;

20 2. A comparison of the benefits available under
21 the Maine State Retirement System with those availa-
22 ble under the United States Social Security System.
23 The comparison shall include an assessment of the ac-
24 tual benefits received by various categories of re-
25 cipients based on their length of service, level of
26 earnings and their memberships or their spouses' mem-
27 bership in other retirement systems;

28 3. An analysis of the contribution of employers
29 and employees under both systems. Based upon the ac-
30 tuarial assumptions of the 2 systems, assess the cost
31 of the various components of each system and where
32 possible relate the differences in the premium rates
33 of both systems to the exclusion or inclusion of dif-
34 ferent categories of individuals from coverage;

35 4. A review of the January 14, 1986, Tillinghast
36 Report to the Maine State Retirement System, "Propo-
37 sal for Designing a Program to Coordinate with the
38 Federal Social Security System" and discuss its poli-
39 cy recommendations with the Board of Directors of the
40 Maine State Retirement System; and

1 5. A public hearing to allow interested employer
2 and employee groups to express their opinions of the
3 advantages or disadvantages of both systems and of
4 the possibility of coordinating the benefits availa-
5 ble under the 2 systems; and be it further

6 **Staff support. Resolved:** That the State Plan-
7 ning Office and the Maine State Retirement System
8 shall provide technical assistance in conducting the
9 statistical analysis comparing benefit levels for the
10 various categories of recipients outlined in this re-
11 solve. The commission may request staff assistance
12 from the Legislative Council to carry out and coordi-
13 nate the analysis and to assist the commission; and
14 be it further

15 **Appropriation. Resolved:** That the following
16 funds are appropriated from the General Fund to carry
17 out the purpose of this resolve.

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20 Joint Select Commission to Study
21 the Integration of the Maine
22 State Retirement System and the
23 United States Social Security
24 System.

25 Personal Services \$1,750

26 All Other 4,600

27 Total \$6,350

28 **Emergency clause.** In view of the emergency cited
29 in the preamble, this resolve shall take effect when
30 approved.

1

STATEMENT OF FACT

2 The new draft makes it clear that the study shall
3 produce an analysis of the differences and
4 similarities in benefit and contribution structures
5 of the Maine State Retirement System and the United
6 States Social Security System with the intent of pro-
7 viding background information with which to evaluate
8 proposals for integrating the 2 systems. The intent
9 is not to assess for fiscal impact of any particular
10 proposal to coordinate the 2 systems.

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