

MAINE STATE LEGISLATURE

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(EMERGENCY)
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 514

S.P. 187

In Senate, February 24, 1987

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

JOY J. O'BRIEN, Secretary of the Senate.
Presented by Senator CLARK of Cumberland.

Cosponsored by Representative JALBERT of Lisbon, Senator MAYBURY of Penobscot, Representative PERRY of Mexico.

STATE OF MAINE

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

1 Resolve, to Continue the Commission to Study
2 the Integration of the Maine State
3 Retirement System with the United States
4 Social Security System.
5

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

10 Whereas, the Joint Select Commission to Study the
11 Integration of the Maine State Retirement System with
12 the United States Social Security System completed
13 its review of the similarities and differences be-
14 tween the 2 systems, developed a model to compare the
15 pension benefits under both systems and submitted a
16 report on its findings to the Governor and the 113th
17 Legislature; and

1 Whereas, the new federal income tax law will af-
2 fect the manner in which employer pension plans can
3 be established and the regulations governing these
4 plans will be developed early this year; and

5 Whereas, litigation establishing whether Maine
6 State Retirement System benefits are negotiable items
7 under contract negotiations between state employees
8 and teachers and their respective employers will be
9 decided early this year; and

10 Whereas, the next step is to work with the actu-
11 ary from the Maine State Retirement System to develop
12 specific options for an integrated plan; and

13 Whereas, the commission's work to develop plans
14 should be started in late winter or early spring of
15 this year; and

16 Whereas, in the judgment of the Legislature,
17 these facts create an emergency within the meaning of
18 the Constitution of Maine and require the following
19 legislation as immediately necessary for the preser-
20 vation of the public peace, health and safety; now,
21 therefore, be it

22 Integration of the Maine State Retirement System
23 and the United States Social Security Sys-
24 tem. Resolved: That it appears likely that the Fed-
25 eral Government will expand mandatory coverage of
26 Medicare and Social Security benefits beyond Medicare
27 for newly hired public employees in the coming years;
28 and be it further

29 Development of a supplementary plan. Resolved:
30 That prior to any mandatory requirement by the Feder-
31 al Government that all public employees be covered
32 under Social Security, the State should develop an
33 actuarially-sound plan which would provide a Maine
34 State Retirement System plan which would supplement,
35 and not duplicate, Social Security benefits; and be
36 it further

37 Continuation of the Joint Select Commission to
38 Study the Integration of the Maine State Retirement
39 System with the United States Social Security System
40 continued; expenses. Resolved: That the commission

1 established in compliance with Resolve 1985, chapter
2 88, shall be continued. The members of the commission
3 shall be paid reasonable expenses and a per diem
4 equal to the legislative per diem; and be it further

5 **Actuary. Resolved:** That the commission shall
6 contract with the actuary hired by the Maine State
7 Retirement System for actuarial assistance in devel-
8 oping specific proposals for an integrated plan; and
9 be it further

10 **Report. Resolved:** That this commission shall
11 prepare and present a report to the Governor and the
12 Legislature no later than December 1, 1987. This re-
13 port shall include, but not be limited to:

14 1. A description of the principles upon which
15 the integrated plan shall be based, including the
16 specific benefits for retirement, disability and sur-
17 vivors' pensions;

18 2. A comparative analysis of how employees with
19 a variety of state and private sector employment pat-
20 terns will benefit under the integrated versus exist-
21 ing benefit packages; and

22 3. A projected cost of the new plan for partici-
23 pating district employees, teachers and state employ-
24 ees; and be it further

25 **Staff support. Resolved:** That the State Planning
26 Office and the Maine State Retirement System shall
27 provide technical assistance in developing an inte-
28 grated plan. The commission may request staff assist-
29 ance from the Legislative Council to carry out and
30 coordinate the analysis and to assist the commission;
31 and be it further

32 **Appropriation. Resolved:** That the following
33 funds are appropriated from the General Fund to carry
34 out the purposes of this resolve.

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Joint Select Commission to Study

1 the Integration of the Maine State
2 Retirement System and the United
3 States Social Security System.

4	Personal Services	\$ 1,750
5	Actuarial Services	50,000
6	All Other	4,600
7		
8	Total	<u>\$56,350</u>

9 Emergency clause. In view of the emergency cited
10 in the preamble, this resolve shall take effect when
11 approved.

12 STATEMENT OF FACT

13 The purpose of this resolve is to continue the
14 Joint Select Commission to Study the Integration of
15 the Maine State Retirement System and the United
16 States Social Security System. The commission will
17 build on the report submitted this year to establish
18 an actuarially-based Maine State Retirement System
19 plan which is integrated with the United States So-
20 cial Security System.

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