

MAINE STATE LEGISLATURE

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(New Title)
(New Draft of H.P. 935, L.D. 1251)
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1774

H.P. 1296 House of Representatives, June 9, 1987
Reported by Representative JALBERT from the Committee on
Aging, Retirement and Veterans and printed under Joint Rule 2.
EDWIN H. PERT, Clerk
Original bill sponsored by Representative BOST of Orono.
Cosponsored by Representatives MAYO of Thomaston, CLARK of
Millinocket, and MATTHEWS of Caribou.

STATE OF MAINE

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

1 AN ACT to Provide More Equitable Benefits for
2 the Surviving Spouse, Children and
3 Parents of Deceased Members of the
4 Maine State Retirement System.
5

6 Be it enacted by the People of the State of Maine as
7 follows:

8 Sec. 1. 5 MRSA §17953, sub-§§3 and 4, as enacted
9 by PL 1985, c. 801, §§5 and 7, are repealed and the
10 following enacted in their place:

11 3. Amount of survivor benefit payment to surviv-
12 ing spouse. If the surviving spouse of the qualify-
13 ing member elects a benefit under subsection 2, para-
14 graph A, only one of the following options may be
15 paid at one time.

1 A. A surviving spouse of the qualifying member
2 shall be paid a \$150 benefit each month beginning
3 the first month after the death occurs and con-
4 tinuing during the surviving spouse's lifetime,
5 if:

6 (1) The deceased qualifying member had 10
7 years of creditable service at the time of
8 his death; or

9 (2) The surviving spouse is certified by
10 the medical board to be permanently mentally
11 incompetent or permanently physically inca-
12 pacitated and is determined by the executive
13 director to be unable to engage in any sub-
14 stantially gainful employment.

15 A full month's benefit shall be paid to the es-
16 tate of the surviving spouse for the month in
17 which the surviving spouse dies.

18 B. A surviving spouse of the qualifying member
19 who has the care of the dependent child or chil-
20 dren of the deceased qualifying member and who is
21 not eligible to receive a benefit under paragraph
22 A shall be paid a \$150 benefit each month, begin-
23 ning the first month after the death of the qual-
24 ifying member and continuing during the surviving
25 spouse's lifetime until the end of the month in
26 which the dependent child or children are no
27 longer in the surviving spouse's care.

28 C. A surviving spouse of the qualifying member
29 who is not eligible to receive a benefit under
30 paragraph A or B shall be paid a \$150 benefit
31 each month, beginning the first month after the
32 surviving spouse reaches 60 years of age and con-
33 tinuing during the surviving spouse's lifetime.

34 A full month's benefit shall be paid to the es-
35 tate of the surviving spouse for the month in
36 which the surviving spouse dies.

37 D. The \$150 benefit specified under paragraphs
38 A, B and C shall be increased to \$225 on July 1,
39 1989, and \$300 on July 1, 1990. Starting July 1,
40 1991, the \$300 benefit shall be adjusted annually

1 at the same time and by the same percentage as
2 adjustments under section 17806.

3 4. Amount of survivor benefit to dependent chil-
4 dren. If the dependent child or children or surviv-
5 ing spouse of the deceased qualifying member elects a
6 benefit under subsection 2, paragraph A, the payment
7 of benefits to the dependent child or children shall
8 be governed as follows.

9 A. The amount of survivor benefit shall be de-
10 termined as follows.

11 (1) Until July 1, 1988:

12 (a) One dependent child shall be paid
13 \$150 each month;

14 (b) Two dependent children shall be
15 paid \$225 each month which shall be di-
16 vided equally between them; and

17 (c) Three or more dependent children
18 shall be paid \$300 each month which
19 shall be divided equally among them.

20 (2) Starting July 1, 1988, each dependent
21 child shall receive a benefit of \$150 a
22 month.

23 (3) Starting July 1, 1989, each dependent
24 child shall receive a benefit of \$175 a
25 month.

26 (4) Starting July 1, 1990, each dependent
27 child shall receive a benefit of \$200 a
28 month.

29 (5) Starting July 1, 1991, each dependent
30 child shall receive a benefit of \$225 a
31 month.

32 (6) Starting July 1, 1992, each dependent
33 child shall receive a benefit of \$250 a
34 month.

1 (7) Starting July 1, 1993, the benefit
2 specified under subparagraph (6) shall be
3 adjusted annually at the same time and by
4 the same percentage as adjustments under
5 section 17806.

6 B. The benefits shall begin the first month af-
7 ter the death of the qualifying member and shall
8 be payable to each dependent child, in accordance
9 with Title 18-A, article V, until the end of the
10 month in which he no longer meets the definition
11 of "dependent child" in section 17001, subsection
12 12.

13 C. When any dependent child becomes ineligible
14 to receive benefits under this subsection, the
15 other dependent children, if any, shall continue
16 to receive benefits in accordance with this sub-
17 section.

18 D. The combined benefits under subsection 3 and
19 this subsection may not exceed 80% of the de-
20 ceased qualifying member's average final compen-
21 sation adjusted annually at the same time and at
22 the same percentage as adjustments under subsec-
23 tion 10.

24 Sec. 2. 5 MRSA §17953, sub-§5, ¶D is enacted to
25 read:

26 D. Starting July 1, 1989, the benefits specified
27 under paragraph A shall be adjusted annually at
28 the same time and at the same percentage as ad-
29 justments under subsection 10.

30 Sec. 3. 5 MRSA §18553, sub-§§3 and 4, as en-
31 acted by PL 1985, c. 801, §§5 and 7, are repealed and
32 the following enacted in their place:

33 3. Amount of survivor benefit payment to surviv-
34 ing spouse. If the surviving spouse of the qualifying
35 member elects a benefit under subsection 2, paragraph
36 A, only one of the following options may be paid at
37 one time.

38 A. A surviving spouse of the qualifying member
39 shall be paid a \$150 benefit each month beginning

1 the first month after the death occurs and con-
2 tinuing during the surviving spouse's lifetime,
3 if:

4 (1) The deceased qualifying member had 10
5 years of creditable service at the time of
6 his death; or

7 (2) The surviving spouse is certified by
8 the medical board to be permanently mentally
9 incompetent or permanently physically inca-
10 pacitated and is determined by the executive
11 director to be unable to engage in any sub-
12 stantially gainful employment.

13 A full month's benefit shall be paid to the es-
14 tate of the surviving spouse for the month in
15 which the surviving spouse dies.

16 B. A surviving spouse of the qualifying member
17 who has the care of the dependent child or chil-
18 dren of the deceased qualifying member and who is
19 not eligible to receive a benefit under paragraph
20 A shall be paid a \$150 minimum benefit each
21 month, beginning the first month after the death
22 of the qualifying member and continuing during
23 the surviving spouse's lifetime until the end of
24 the month in which the dependent child or chil-
25 dren are no longer in the surviving spouse's
26 care.

27 C. A surviving spouse of the qualifying member
28 who is not eligible to receive a benefit under
29 paragraph A or B shall be paid \$150 minimum bene-
30 fit each month, beginning the first month after
31 the surviving spouse reaches 60 years of age and
32 continuing during the surviving spouse's life-
33 time.

34 A full month's benefit shall be paid to the es-
35 tate of the surviving spouse for the month in
36 which the surviving spouse dies.

37 D. The \$150 benefit specified under paragraphs
38 A, B and C shall be increased to \$225 on July 1,
39 1989, and \$300 on July 1, 1990. Starting July 1,
40 1991, a participating local district may increase

1 the \$300 benefit by the cost of living, in ac-
2 cordance with the provisions of subsection 10.

3 4. Amount of survivor benefit to dependent chil-
4 dren. If the dependent child or children or surviving
5 spouse of the deceased qualifying member elects a
6 benefit under subsection 2, paragraph A, the payment
7 of benefits to the dependent child or children shall
8 be governed as follows.

9 A. The amount of the survivor benefit shall be
10 determined as follows.

11 (1) Until July 1, 1988:

12 (a) One dependent child shall be paid
13 \$150 each month;

14 (b) Two dependent children shall be
15 paid \$225 each month which shall be di-
16 vided equally between them; and

17 (c) Three or more dependent children
18 shall be paid \$300 each month which
19 shall be divided equally among them.

20 (2) Starting July 1, 1988, each dependent
21 child shall receive a benefit of \$150 a
22 month.

23 (3) Starting July 1, 1989, each dependent
24 child shall receive a benefit of \$175 a
25 month.

26 (4) Starting July 1, 1990, each dependent
27 child shall receive a benefit of \$200 a
28 month.

29 (5) Starting July 1, 1991, each dependent
30 child shall receive a benefit of \$225 a
31 month.

32 (6) Starting July 1, 1992, each dependent
33 child shall receive a benefit of \$250 a
34 month.

1 (7) Starting July 1, 1991, a participating
2 local district may increase the \$250 benefit
3 under subparagraph (6) by the cost of liv-
4 ing, in accordance with the provisions of
5 subsection 10.

6 B. The benefits shall begin the first month af-
7 ter the death of the qualifying member and shall
8 be payable to each dependent child, in accordance
9 with Title 18-A, article V, until the end of the
10 month in which he no longer meets the definition
11 of "dependent child" in section 17001, subsection
12 12.

13 C. When any dependent child becomes ineligible
14 to receive benefits under this subsection, the
15 other dependent children, if any, shall continue
16 to receive benefits in accordance with this sub-
17 section.

18 D. The combined benefits under subsection 3 and
19 this subsection may not exceed 80% of the de-
20 ceased qualifying member's average final compen-
21 sation adjusted annually at the same time and at
22 the same percentage as adjustments under subsec-
23 tion 10.

24 **Sec. 4. 5 MRSA §18553, sub-§5, ¶D is enacted to**
25 **read:**

26 D. Starting July 1, 1991, a participating local
27 district may increase the \$150 benefit under par-
28 agraph A by the cost of living, in accordance
29 with the provisions of subsection 10.

30 **Sec. 5. Applications.** Existing beneficiaries
31 under this section shall get the greater of their
32 current benefit or the new benefits under this Act.

33 **Sec. 6. Appropriation.** The following funds are
34 appropriated from the General Fund to carry out the
35 purposes of this Act.

36 1988-89

37 EDUCATIONAL AND CULTURAL
38 SERVICES, DEPARTMENT OF

1 Teacher Retirement
2 All Other \$71,545

3 FISCAL NOTE

4 This new draft requires additional contributions
5 to the Maine State Retirement System in fiscal year
6 1988-89 of 0.02% of each department's payroll. The
7 total cost to the General Fund in fiscal year 1988-89
8 will be \$132,563 which includes a \$71,545 direct ap-
9 propriation to the Teacher Retirement. Other costs
10 in fiscal year 1988-89 will include additional con-
11 tributions from Highway Fund accounts of \$10,375 and
12 additional contributions from federal and other funds
13 of \$32,097.

14 Due to the "phase-in" features, the most signifi-
15 cant cost increases will occur in fiscal years
16 1989-90 and 1990-91. The following schedule gives an
17 approximation of these costs:

	<u>1989-90</u>	<u>1990-91</u>
18		
19 State employees		
20 General Fund	\$340,000	\$ 700,000
21 Highway Fund	\$100,400	\$200,000
22 Other Funds	\$160,000	\$325,000
23 Teacher Retirement		
24		
25 General Fund	\$550,000	\$1,100,000

1

STATEMENT OF FACT

2 The new draft provides a schedule for phasing in
3 the increase in survivors' benefits for spouses from
4 \$150 to \$300 a month over a 4-year period and for
5 children from \$75 to \$250 a month over a 6-year peri-
6 od. Once the increases have been established, the
7 benefit amounts are then indexed to the same infla-
8 tion formula as the retirement pensions. The pension
9 for surviving parents will remain at \$150, but be in-
10 dexed for inflation starting in 1989-90.

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