

MAINE STATE LEGISLATURE

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ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 1818

S.P. 617

In Senate, June 11, 1987

Reported by Senator Clark of Cumberland for the Committee on Aging, Retirement and Veterans and printed under Joint Rule 2. Original Bill sponsored by President Pray of Penobscot. Cosponsored by: Representative Michaud of E. Millinocket.

JOY J. O'BRIEN, Secretary of the Senate

STATE OF MAINE

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

1 AN ACT to Amend the State Retirement Laws.

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3 Be it enacted by the People of the State of Maine as
4 follows:

5 Sec. 1. 5 MRSA §17906, sub-§2, ¶B, as enacted by
6 PL 1985, c. 801, §§5 and 7, is amended to read:

7 B. The reduction in the disability retirement
8 benefit shall be the amount necessary to make the
9 total of the disability retirement benefit, not
10 including adjustments under section 17806, plus
11 the offset amounts of worker's compensation and
12 social security benefits, as limited under para-
13 graph A and not including cost-of-living
14 adjustments, equal to 80% of average final com-
15 pensation.

1 **Sec. 2. 5 MRSA §18506, sub-§2, ¶B**, as enacted by
2 PL 1985, c. 801, §§5 and 7, is amended to read:

3 B. The reduction in the disability retirement
4 benefit shall be the amount necessary to make the
5 total of the disability retirement benefit, not
6 including adjustments under section 18407, plus
7 the offset amounts of workers' compensation and
8 social security benefits, as limited under para-
9 graph A and not including cost-of-living
10 adjustments, equal to 80% of average final com-
11 pensation.

12 **Sec. 3. Appropriation.** The following funds are
13 appropriated from the General Fund to carry out the
14 purposes of this Act.

	<u>1987-88</u>	<u>1988-89</u>
15		
16	<u>EDUCATIONAL AND CULTURAL SER-</u>	
17	<u>VICES, DEPARTMENT OF</u>	
18	Teacher Retirement	
19	All Other	\$133,510 \$187,805

20 FISCAL NOTE

21 This new draft requires additional contributions
22 to the Maine State Retirement System beginning in
23 fiscal year 1987-88. The total cost to the General
24 Fund will be \$187,072 and \$263,148 in fiscal year
25 1987-88 and 1988-89, respectively. These General
26 Fund amounts include direct appropriation to Teacher
27 Retirement of \$133,510 and \$187,805, respectively.
28 Other costs will include additional contributions
29 from the various funds of:

30	Highway Fund	\$15,965	\$22,457
31	Federal and Other Funds	\$24,938	\$35,081

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STATEMENT OF FACT

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This new draft allows recipients to receive their cost-of-living increases from workers' compensation and social security. Under the present interpretation of the law these cost-of-living increases are offset against the Maine State Retirement System pension. Under present law, cost-of-living increases earned on Maine State Retirement benefits are not offset.

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