

# MAINE STATE LEGISLATURE

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SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 1947

S.P. 718 In Senate, January 4, 1988  
Approved for Introduction by a Majority of the Legislative  
Council pursuant to Joint Rule 26.

Received by the Secretary of the Senate on December 31,  
1987. Referred to the Committee on Aging, Retirement and  
Veterans and 1400 ordered printed pursuant to Joint Rule 14.  
JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator CLARK of Cumberland.

Cosponsored by Speaker MARTIN of Eagle Lake,  
Representative DIAMOND of Bangor, Representative HICKEY of  
Augusta.

STATE OF MAINE

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

AN ACT to Correct Inequities in the Maine  
State Retirement System.

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

6 Sec. 1. 5 MRSA §17953, sub-§2, ¶A, as enacted  
7 by PL 1985, c. 801, §§5 and 7, is amended to read:

8 A. Instead of accepting the payment provided in  
9 subsection 1, the first listed of the following

1 relatives of the qualifying member who are  
2 living at the death of the qualifying member may  
3 elect the benefits described in subsections 3 to  
4 5 5-A:

5 (1) The surviving spouse, the dependent  
6 child or dependent children, the parent or  
7 parents, if any of these are designated  
8 beneficiaries The designated beneficiary, if  
9 any; or

10 (2) If no beneficiary is designated, the  
11 surviving spouse, the dependent child or  
12 dependent children, or the parent or parents.

13 Sec. 2. 5 MRSA §17953, sub-§5-A is enacted to  
14 read:

15 5-A. Amount of survivor benefit to designated  
16 beneficiary. If a designated beneficiary, other than  
17 the surviving spouse, dependent child, dependent  
18 children or the parent or parents of a deceased  
19 qualifying member, elects a benefit under subsection  
20 2, paragraph A, the payment of benefits shall be  
21 governed as follows.

22 A. A designated beneficiary who is alive at the  
23 time of the death of the qualifying member shall  
24 be paid \$150 per month beginning the first month  
25 after the death occurs and continuing until the  
26 date of the designated beneficiary's death, if:

27 (1) The deceased qualifying member had 10  
28 years of creditable service at the time of  
29 the member's death; or

30 (2) The designated beneficiary is certified  
31 by the medical board to be permanently  
32 mentally incompetent or permanently  
33 physically incapacitated and is determined by  
34 the executive director to be unable to engage  
35 in any substantially gainful employment.

36 B. A designated beneficiary of the qualifying  
37 member who has the care of the dependent child or

1 children of the deceased qualifying member, and  
2 who is not eligible to receive a benefit under  
3 paragraph A, shall be paid \$150 per month,  
4 beginning the first month after the death of the  
5 qualifying member and continuing during the  
6 designated beneficiary's lifetime for as long as  
7 the dependent child or children are in the  
8 designated beneficiary's care.

9 C. A designated beneficiary who is not eligible  
10 to receive a benefit under paragraph A or B shall  
11 be paid \$150 per month, beginning the first month  
12 after the designated beneficiary reaches 60 years  
13 of age and continuing until the date of his death.

14 Sec. 3. 5 MRSA §17953, sub-§§6, 9 and 10, as  
15 enacted by PL 1985, c. 801, §§5 and 7, are amended to  
16 read:

17 6. Transfer of funds. If benefits are paid under  
18 subsections 3 to 5 5-A, the amount of the deceased  
19 qualifying member's accumulated contributions in the  
20 Members' Contribution Fund shall be transferred to the  
21 Survivors' Benefit Fund and the amount of the  
22 qualifying member's accumulated contributions in the  
23 Retirement Allowance Fund shall be transferred to the  
24 Survivors' Benefit Fund.

25 9. Defeat of survivor's option. A qualifying  
26 member may specify that the refund of his accumulated  
27 contributions be paid to a designated beneficiary or  
28 to the qualifying member's estate in lieu of any  
29 payment to survivors under subsections 3 to 5 5-A  
30 by filing an affidavit expressing that intent with the  
31 executive director.

32 10. Cost-of-living adjustment. If a retirement  
33 benefit adjustment is made for retired state employees  
34 and teachers, the same percentage increase shall be  
35 applied to the payments made under subsections 3 to  
36 5 5-A. The adjustment to payments made under  
37 subsections 3 to 5 5-A shall become effective on  
38 the same day as the adjustment for state employees and  
39 teachers.

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STATEMENT OF FACT

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This bill changes the retirement system to permit a state employee to designate any one person as beneficiary. Currently, when a state employee designates as beneficiary someone other than spouse, parent, or child, they are not eligible for survivor benefits. This bill corrects this inequity.

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