

MAINE STATE LEGISLATURE

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(EMERGENCY)
SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 2416

H.P. 1763 House of Representatives, March 2, 1988
Reported by Representative CARTER for the Committee to
Study the Retirement System pursuant to Public Law 1987,
Chapter 68, Section 9.

Reference to the Committee on Aging, Retirement and
Veterans suggested and printing ordered under Joint Rule 18.

EDWIN H. PERT, Clerk

STATE OF MAINE

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

1 **AN ACT to Improve the Services Provided to the**
2 **Members and Retirees of the Maine State**
3 **Retirement System.**
4

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

8 Whereas, the Committee to Study the Retirement
9 System has recommended that the Maine State Retirement

1 System improve the level of services provided to
2 members and retirees of the retirement system; and

3 Whereas, failure to authorize this expenditure for
4 the automation of the retirement system will prevent
5 the retirement system from overcoming a serious
6 obstacle to improving service; and

7 Whereas, any delay in implementation will continue
8 the decline in the quantity and quality of services
9 provided to members and retirees; and

10 Whereas, in the judgment of the Legislature, these
11 facts create an emergency within the meaning of the
12 Constitution of Maine and require the following
13 legislation as immediately necessary for the
14 preservation of the public peace, health and safety;
15 now, therefore,

16 Be it enacted by the People of the State of Maine as
17 follows:

18 Allocation. The following funds are allocated
19 from the Retirement Allowance Fund of the Maine State
20 Retirement System to carry out the purposes of this
21 Act.

22 1987-88

23 MAINE STATE RETIREMENT SYSTEM,
24 BOARD OF TRUSTEES OF THE

25 Retirement System - Administration	
26 All Other	\$ 400,000
27 Capital Expenditures	800,000
28	
29 Total	<u>\$1,200,000</u>

30 Allocates additional
31 funds to the Expense
32 Fund to automate the
33 data storage and
34 retrieval systems of
35 the Maine State

1 Retirement System.
2 These funds shall not
3 lapse, but shall carry
4 forward until June 30,
5 1989.

6 Emergency clause. In view of the emergency
7 cited in the preamble, this Act shall take effect when
8 approved.

9 FISCAL NOTE

10 This bill will reduce the amount of funds being
11 invested in the Retirement Allowance Fund by
12 \$1,200,000. This will increase the unfunded liability
13 of the Maine State Retirement System by approximately
14 the same amount. The recognition of this unfunded
15 liability will occur during the 1988 valuation of the
16 system. Consequently, rates will be affected in
17 fiscal year 1989-90.

18 The increase in rates will be allocated according
19 to value of assets among participating local district
20 plans, the teachers' retirement plan and state
21 employee plan. The estimated additional cost to the
22 State is approximately \$36,000 in 1990 and increasing
23 at 6% per year thereafter. This will increase
24 contribution rates by less than 0.01% of payroll.

25 STATEMENT OF FACT

26 The Committee to Study the Retirement System has
27 recommended that the Maine State Retirement System
28 proceed as quickly as possible with plans to automate
29 the data storage and retrieval systems. Every delay
30 in implementing automation of the retirement system
31 further erodes the ability of the system to deliver
32 the quality of services members and retirees of the
33 system deserve. This bill authorizes expenditures of
34 funds from the Retirement Allowance Fund for this
35 purpose.

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