

# MAINE STATE LEGISLATURE

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SECOND REGULAR SESSION

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ONE HUNDRED AND THIRTEENTH LEGISLATURE

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Legislative Document

NO. 2417

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H.P. 1764                      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 State and Local Government  
suggested and printing ordered under Joint Rule 18.

EDWIN H. PERT, Clerk

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STATE OF MAINE

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

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1                      **AN ACT to Make Changes in the Administration**  
2                      **of 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6                      **Sec. 1. 2 MRSA §6, sub-§4, as repealed and**  
7                      **replaced by PL 1987, c. 402, Pt. A, §3, is amended to**  
8                      **read:**

1 4. Range 88. The salaries of the following state  
2 officials and employees shall be within salary range  
3 88:

4 State Purchasing Agent;

5 Director, Arts and Humanities Bureau;

6 Director, State Museum Bureau;

7 Director of the Bureau of Parks and Recreation;

8 State Director of Alcoholic Beverages;

9 ~~Executive-Director, Retirement-System;~~

10 Director of Public Lands;

11 State Librarian;

12 Director of Employee Relations;

13 Director, Bureau of Air Quality Control;

14 Director, Bureau of Land Quality Control;

15 Director, Bureau of Water Quality Control; and

16 Director, Bureau of Oil and Hazardous Materials  
17 Control.

18 Sec. 2. 2 MRSA §6-D is enacted to read:

19 §6-D. Salaries of certain employees of the Maine State  
20 Retirement System

21 Notwithstanding Title 5, section 17105, subsection  
22 3, paragraph C, the salaries of certain employees of  
23 the Maine State Retirement System shall be subject to  
24 this section.

25 1. Executive director. The salary of the

1 executive director shall be established by the Board  
2 of Trustees of the Maine State Retirement System and  
3 may not exceed the maximum rate of salary which may be  
4 received by a state employee.

5 2. Associate directors. The salaries of the  
6 associate directors shall be established by the Board  
7 of Trustees of the Maine State Retirement System and  
8 may not exceed the maximum rate of salary which may be  
9 received by a state employee.

10 **Sec. 3. 5 MRSA §17102, sub-§1, ¶¶D and E, as**  
11 **enacted by PL 1985, c. 801, §§5 and 7, are amended to**  
12 **read:**

13 **D. Three Four persons appointed by the**  
14 **Governor and subject to review by the joint**  
15 **standing committee of the Legislature having**  
16 **jurisdiction over aging, veterans and retirement**  
17 **and to confirmation by the Legislature:**

18 (1) At least 2 3 shall be qualified  
19 through training or experience in the field  
20 of investments, accounting, banking,  
21 insurance or law; and

22 (2) One of whom shall be selected from a  
23 list or lists of 3 nominees submitted by  
24 the Maine Retired Teachers' Association,  
25 retired state employees, retired  
26 participating local district employees or by  
27 a committee comprised of representatives of  
28 those groups; and

29 **E. A person who is a member of the retirement**  
30 **system through a participating local district and**  
31 **who shall be appointed by the governing body of**  
32 **the Maine Municipal Association; ~~and.~~**

33 **Sec. 4. 5 MRSA 17102, sub-§1, ¶F, as enacted by**  
34 **PL 1985, c. 801, §§5 and 7, is repealed.**

35 **Sec. 5. Transition provision. Members of the**  
36 **Board of Trustees of the Maine State Retirement System**  
37 **who have been appointed to terms extending beyond the**

1 effective date of this Act shall continue to serve for  
2 their appointed terms of office and shall serve until  
3 their successors are appointed and qualified.

4 **Sec. 6. Allocation.** The following funds are  
5 allocated from the Expense Fund of the Maine State  
6 Retirement System to carry out the purposes of this  
7 Act.

8 1988-89

9 MAINE STATE RETIREMENT SYSTEM,  
10 BOARD OF TRUSTEES OF THE

11 Retirement System - Administration

12 Positions (2)  
13 Personal Services \$150,000

14 Allocates funds for 2  
15 new associate director  
16 positions and the  
17 potential salary  
18 upgrade of the  
19 executive director.

20 FISCAL NOTE

21 This bill allocates an additional \$150,000 in  
22 funds to be used by the Board of Trustees of the Maine  
23 State Retirement System to hire 2 new associate  
24 directors and to fund the potential increase in the  
25 executive director's salary.

26 The additional allocation will not affect  
27 contribution rates in fiscal year 1988-89. However,  
28 contribution rates beginning in fiscal year 1989-90  
29 will increase by less than 0.02% of salaries to fund  
30 these increased administrative costs.

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STATEMENT OF FACT

2        This bill implements some of the recommendations  
3 of the Committee to Study the Retirement System. It  
4 adds 2 associate director positions within the office  
5 of the executive director. These positions shall be  
6 unclassified, and the salaries set by the Board of  
7 Trustees of the Maine State Retirement System.  
8 However, the salaries are limited to those ranges  
9 provided for state employees.

10        In addition, this bill adjusts the selection  
11 process of the Board of Trustees of the Maine State  
12 Retirement System so that the retiree member selected  
13 by the board members would be selected by the Governor  
14 to represent the taxpayers. This more equitably  
15 balances the representation of taxpayers with the  
16 constituency groups. The remaining retiree member  
17 would be selected by the Governor from a list or lists  
18 representing all retirees of the system, not just from  
19 lists of retired teachers.

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