

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 482

S.P. 204

In Senate, February 27, 1989

Reference to the Committee on Aging, Retirement and Veterans suggested and ordered printed.

Joy J. O'Brien

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator BUSTIN of Kennebec.

Cosponsored by Senator COLLINS of Aroostook, Representative RUHLIN of Brewer and Representative PINES of Limestone.

STATE OF MAINE

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

An Act Relating to Benefits for Members of the Maine State Retirement System Who Transfer from Positions Under Special Plans to Positions Not Under Special Plans.



1 **Be it enacted by the People of the State of Maine as follows:**

3 **Sec. 1. 5 MRSA §17857, sub-§§2 and 3, as enacted by PL 1985, c.**
5 **801, §§5 and 7, are repealed and the following enacted in their**
6 **place:**

7 **2. Additional creditable service. Additional creditable**
8 **service is earned by a former participant in a special plan as**
9 **follows.**

11 **A. A member who has completed the service requirements for**
12 **retirement under a special plan may transfer to a position**
13 **not under a special plan and earn service credit for**
14 **additional service retirement benefits.**

15 **(1) The part of the member's service retirement**
16 **benefit based upon membership service before being**
17 **transferred shall be computed according to the formula**
18 **for computing benefits under the special plan that the**
19 **member was under previously.**

21 **(2) The part of the member's benefit based upon**
22 **membership service after being transferred shall be**
23 **computed in accordance with section 17852, subsection 1.**

25 **B. A person who retires under a special plan and is later**
26 **restored to service under section 17855 in a position not**
27 **under a special plan may earn service credit for additional**
28 **service retirement benefits.**

31 **(1) Upon subsequent retirement, the part of the**
32 **member's service retirement benefit based upon**
33 **membership service before the member's initial**
34 **retirement shall be computed according to the formula**
35 **for computing benefits under the special plan that the**
36 **member was under previously.**

37 **(2) The part of the member's benefit based upon**
38 **membership service after being restored to service**
39 **shall be computed in accordance with section 17852,**
40 **subsection 1.**

43 **C. A member who has not completed the service requirements**
44 **for retirement under a special plan may transfer to a**
45 **position not under a special plan and shall receive service**
46 **retirement benefits as follows.**

47 **(1) If the benefit is greater, the part of the**
48 **member's service retirement benefit based upon**
49 **membership service before being transferred shall be**
50 **computed according to the formula for computing**
51 **benefits under the special plan that the member was under**

1 benefits under the special plan that the member was
2 under previously.

3
4 (2) The part of the member's benefit based upon
5 membership service after being transferred shall be
6 computed in accordance with section 17852, subsection 1.

7
8 D. A member who has not completed the service requirements
9 for retirement under a special plan, upon becoming disabled
10 as defined in section 17901, may transfer to a position not
11 under a special plan and receive retirement benefits as
12 follows.

13
14 (1) The part of the member's service retirement based
15 upon membership service before being transferred and
16 while disabled shall be computed according to the
17 formula for computing benefits under the special plan
18 that the member was under previously.

19
20 (2) If the member is found to be no longer disabled,
21 the member may:

22
23 (a) Return to a position under the special plan
24 that the member was under previously; or

25
26 (b) Remain in the position which is not under a
27 special plan and have the part of the member's
28 service retirement benefit based upon subsequent
29 service computed in accordance with section 17852,
30 subsection 1.

31
32 3. Reduction of benefits. Upon retirement before reaching
33 age 60, the service retirement benefit of a member who
34 transferred or who was restored to service subject to subsection
35 2 shall be reduced as follows.

36
37 A. If the member transferred under the provisions of
38 subsection 2, paragraph A:

39
40 (1) If applicable, the portion of the retirement
41 benefit based upon creditable service earned before
42 being transferred shall be reduced in accordance with
43 section 17852, subsection 4, paragraph C or section
44 17852, subsection 10, paragraph C; and

45
46 (2) The portion of the retirement benefit based upon
47 creditable service earned after being transferred shall
48 be reduced in accordance with section 17852, subsection
49 3.

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51 B. If the member was a retiree restored to service subject
52 to subsection 2, paragraph B:

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(1) If applicable, the portion of the retirement benefit based upon creditable service earned before the member's initial retirement shall be reduced in accordance with section 17852, subsection 4, paragraph C or section 17852, subsection 10, paragraph C; and

(2) The portion of the retirement benefit based upon creditable service earned after being restored to service shall be reduced in accordance with section 17852, subsection 3.

C. If the member was transferred subject to subsection 2, paragraph C, the retirement benefit shall be reduced in accordance with section 17852, subsection 3.

D. If the member was transferred subject to subsection 2, paragraph D, and:

(1) If the member completes the service or service and age requirements for retirement under the special plan that the member was under previously, if applicable, the retirement benefit shall be reduced in accordance with section 17852, subsection 4, paragraph C or section 17852, subsection 10, paragraph C; or

(2) If the member does not complete the service or service and age requirements for retirement under the special plan that the member was under previously, the retirement benefit shall be reduced in accordance with section 17852, subsection 3.

Sec. 2. 5 MRSA §17857, sub-§4, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

4. Computation of benefit. The computation of the retirement benefit shall be based upon the ~~person's~~ member's average final compensation, as defined in section 17001, subsection 4.

Sec. 3. 5 MRSA §18462 is enacted to read:

§18462. Transfer from special plan

A participating local district may provide, by filing with the board a duly certified copy of its action, an additional benefit for employees under special plans who transfer to positions not under special plans. The benefits under subsection 2, paragraphs A and B are not applicable to employees of participating local districts which have not adopted the provisions of section 18453, subsection 10 or 11.

1 1. Special plan defined. As used in this section, unless
the context otherwise indicates, "special plan" means any of the
3 retirement programs in section 18453, subsections 2 to 9.

5 2. Additional creditable service. Additional creditable
service is earned by a former participant in a special plan as
7 follows.

9 A. A member who has completed the service requirements for
retirement under a special plan may transfer to a position
11 not under a special plan and earn service credit for
additional service retirement benefits.

13 (1) The part of a member's service retirement benefit
15 based upon membership service before being transferred
shall be computed according to the formula for
17 computing benefits under the special plan that the
member was under previously.

19 (2) The part of the member's benefit based upon
21 membership service after being transferred shall be
computed in accordance with section 18452, subsection 1.

23 B. A person who retires under a special plan and is later
25 restored to service under section 18457 in a position not
27 under a special plan may earn service credit for additional
service retirement benefits.

29 (1) Upon subsequent retirement, the part of the
member's service retirement benefit based upon
31 membership service before the member's initial
retirement shall be computed according to the formula
33 for computing benefits under the special plan that the
member was under previously.

35 (2) The part of the member's benefit based upon
37 membership service after being restored to service
shall be computed in accordance with section 18452,
39 subsection 1.

41 C. A member who has not completed the service requirements
43 for retirement under a special plan may transfer to a
position not under a special plan and shall receive service
45 retirement benefits as follows.

47 (1) If the benefit is greater, the part of the
member's service retirement benefit based upon
49 membership service before being transferred shall be
computed according to the formula for computing
51 benefits under the special plan that the member was
under previously.

1 (2) The part of the member's benefit based upon
3 membership service after being transferred shall be
 computed in accordance with section 18452, subsection 1.

5 D. A member who has not completed the service requirements
7 for retirement under a special plan, upon becoming disabled
9 as defined in section 18501, may transfer to a position not
 under a special plan and receive retirement benefits as
 follows.

11 (1) The part of the member's service retirement based
13 upon membership service before being transferred and
15 while disabled shall be computed according to the
 formula for computing benefits under the special plan
 that the member was under previously.

17 (2) If the member is found to be no longer disabled,
19 the member may:

21 (a) Return to a position under the special plan
 that the member was under previously; or

23 (b) Remain in the position which is not under a
25 special plan and have the part of the member's
27 service retirement benefit based upon subsequent
 service computed in accordance with section 18452,
 subsection 1.

29 3. Reduction of benefits. Upon retirement before reaching
31 age 60, the service retirement benefit of a member who
33 transferred or who was restored to service subject to subsection
 2 shall be reduced as follows.

35 A. If the member transferred under the provisions of
37 subsection 2, paragraph A, the portion of the retirement
39 benefit based upon creditable service earned after being
 transferred shall be reduced in accordance with section
 18452, subsection 3.

41 B. If the member was a retiree restored to service subject
43 to subsection 2, paragraph B, the portion of the retirement
45 benefit based upon creditable service earned after being
 restored to service shall be reduced in accordance with
 section 18452, subsection 3.

47 C. If the member was transferred subject to subsection 2,
49 paragraph C, the retirement benefit shall be reduced in
 accordance with section 18452, subsection 3.

51 D. If the member was transferred subject to subsection 2,
 paragraph D, and:

