

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

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Legislative Document

No. 549

H.P. 406

House of Representatives, March 6, 1989

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

A handwritten signature in cursive script, reading "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative MICHAUD of East Millinocket.  
Cosponsored by President PRAY of Penobscot.

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STATE OF MAINE

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

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**An Act to Require That Any State Service of Retired Local District  
Employees Be Included as Part of the Local District Service for the  
Purpose of Computing Retirement Benefits.**

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

**5 MRSA §18253, sub-§1, ¶D is enacted to read:**

D. Notwithstanding this subsection, any member of the retirement system whose service is terminated as a state employee and who becomes employed as a participating local district employee shall, if that member has not previously withdrawn that member's accumulated contributions, have creditable service and earnable compensation as a state employee included by that member's new employer with the service and compensation earned with that new employer. The new employer shall make, from time to time, whatever contributions are necessary to provide the benefits under the retirement system as had accrued by reason of the member's previous employment and as may accrue by reason of the member's new employment.

## STATEMENT OF FACT

Currently, state employees, which includes teachers, and local district employees may transfer their service for retirement purposes from one type of employment to another, state to local. However, unless the new employer elects differently, the rate of compensation paid for the earlier employment period will be based on the highest salary during that employment, not during the entire period of the person's employment.

This bill requires that persons who transfer from state employment to local district employment shall have their state service retirement credit computed at the highest salary paid during their total employment with any group participating in the Maine State Retirement System. As used relative to the Maine State Retirement System, local district means a county or municipality.