

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
114TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 869, L.D. 2229, Bill, "An Act to Exempt Certain Persons from the Payment of Interest on Excess Retirement Benefits"

Amend the bill by striking out all of the title and inserting in its place the following:

'An Act Concerning Retirees' Return to Employment'

Further amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'Sec. 1. 5 MRSA §17103, sub-§6, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

6. Rights, credits and privileges; decisions. The board shall in all cases make the final and determining administrative decision in all matters affecting the rights, credits and privileges of all members of the retirement system whether in participating local districts or in the state service.

Whenever the board finds that, because of an error or omission on the part of the employer of a member or retired member, a member or retired member is required to make a payment or payments to the retirement system, the board may waive payment of all or part of the amount due from the member or retired member.

Sec. 2. 5 MRSA §18252, sub-§6 is enacted to read:

6. Restoration to service. If any person who is the recipient of a service retirement benefit is covered by the United States Social Security Act upon being restored to service, continuation of that person's benefit is not subject to section 18457, but is governed by the following.

A. The person may elect to have the service retirement benefit continued during the period of time the person is restored to service and the person may not accumulate any

additional service credits.

B. The person may elect to have the service retirement benefit terminated, again become a member of the retirement system and begin contributing at the current rate.

(1) The person is entitled to accumulate additional service credits during the period of time the person is restored to service.

(2) When the person again retires, the person is entitled to receive benefits computed on the person's entire creditable service and in accordance with the law in effect at the time.

C. Upon being restored to service, the person shall elect to have benefits either continued or terminated. If written notification of the person's election is not received by the executive director within 30 days of restoration to service, the person is deemed to have elected the provisions of paragraph B. The election, regardless of how it is made, is irrevocable during the period of restoration to services.

Sec. 3. Application. Section 1 of this Act retroactively applies to any member or retired member who has not completed making payments of money to the Maine State Retirement System. Any such member or retired member who has not completed making payments may request that the Board of Trustees of the Maine State Retirement System review the case. The board shall do so and grant whatever relief it finds appropriate. Section 2 of this Act does not apply to the restoration to service of any member before the effective date of this Act.'

STATEMENT OF FACT

Section 1 of this amendment empowers the Board of Trustees of the Maine State Retirement System to waive part or all of the amount owed if it is found by the board that the employee owes money because of negligence on the part of the employer, such as not informing or misinforming an employee of rights relating to retirement benefits. The board could waive payment of interest on the amount owed or it could waive the entire amount owed, depending upon the facts of each case.

Section 2 of this amendment gives a retiree contemplating a return to employment where he would be covered by Social Security a simple choice: to continue to receive a retirement benefit and accrue no additional creditable service or to give up the retirement benefit and accrue additional creditable service which could result in a larger retirement benefit when the person retires again.