

MAINE STATE LEGISLATURE

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OK
R. of S.

L.D. 370

(Filing No. S-115)

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STATE OF MAINE
SENATE
115TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " A" to S.P. 158, L.D. 370, Bill, "An Act Regarding Purchase of Service Credit by Teachers Who Previously Taught in Other than Public Schools"

Amend the bill by striking out the title and substituting the following:

'An Act Regarding Purchase of Service Credit by Members who Previously Taught in Other than Public Schools'

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 §17763, sub-§1, as amended by PL 1989, c. 710, §10, is further amended to read:

1. ~~Parochial school or public or private academy.~~ A ~~public school-teacher~~ member who taught in a parochial school or in a public or private academy may purchase up to 10 years of service credit for that service under the following conditions.

A. The ~~teacher~~ member must have taught in a school approved by the Department of Education or the education department of another state while holding an appropriate teaching certificate.

B. The ~~teacher~~ member must have ~~10~~ 20 years of creditable service in-the-public-schools as a state employee or teacher in this State.

C. The ~~teacher~~ member must, before any retirement benefit becomes effective for that ~~teacher~~ member, pay make contributions into the Members' Contribution Fund, for the years of private or parochial school teaching on the same basis as the member would have made contributions had the

COMMITTEE AMENDMENT " A " to S.P. 158, L.D. 370

2 service been as a state employee or teacher in this State,
 3 including interest at a rate to be set by the board not to
 4 exceed regular interest by 5 or more percentage points. The
 5 member's earnings for the years of private or parochial
 6 school teaching must be assumed to have been the same as the
 7 average salary for teachers in this State as determined by
 8 the Department of Education for each of the years when the
 9 private or parochial school teaching took place. Interest
 10 must be computed beginning at the end of the year when those
 11 contributions would have been made, if the service had been
 12 as a state employee or teacher in this State, to the date of
 13 payment. Payment must be made by a single direct payment or
 14 annual direct payments to the retirement system,--an amount
 15 that,--together--with--regular--interest--on--that--amount,--is--the
 16 actuarial---equivalent,---at---the---effective---date---of---the
 17 retirement--benefit,--of--the--portion--of--the--retirement--benefit
 18 based--on--the--additional--creditable--service.---Annual--payments
 19 must--be--made in accordance with section 17701, subsection 4.

20 D. The member must have begun membership before January 1,
 21 1976.

22
 23 E. The member's last 10 years of creditable service before
 24 the date of retirement must be as a state employee or
 25 teacher in this State.

26
 27 F. Upon complete payment of the contributions under
 28 paragraph C, the member must be granted service credit for
 29 the period of time for which the contributions have been
 30 made. Upon making partial payment of the contributions
 31 under paragraph C, the member must be granted service credit
 32 on a pro rata basis in accordance with rules adopted by the
 33 board.

34
 35 **Sec. 2. 5 MRSA §18362, sub-§1, as amended by PL 1989, c. 710,**
 36 **§21, is further amended to read:**

37
 38 **1. Parochial school or public or private academy.** A member
 39 who taught in a parochial school or in a public or private
 40 academy may purchase up to 10 years of service credit for that
 41 service under the following conditions.

42
 43 **A.** The member must have taught in a school approved by the
 44 Department of Education or the education department of
 45 another state while holding an appropriate teaching
 46 certificate.

47
 48 **B.** The member must have ~~10~~ 20 years of creditable service
 49 ~~in--the--retirement--system~~ as a member of the participating
 50 local district.

51
 52 **C.** The member must, before any retirement benefit becomes

COMMITTEE AMENDMENT "A" to S.P. 158, L.D. 370

2 effective for the member, pay make contributions into the
 3 Members' Contribution Fund, for the years of private or
 4 parochial school teaching on the same basis as the member
 5 would have made contributions had the service been as a
 6 state employee or teacher in this State, including interest
 7 at a rate to be set by the board not to exceed regular
 8 interest by 5 or more percentage points. The member's
 9 earnings for the years of private or parochial school
 10 teaching must be assumed to have been the same as the
 11 average salary for teachers in this State as determined by
 12 the Department of Education for each of the years when the
 13 private or parochial school teaching took place. Interest
 14 must be computed beginning at the end of the year when those
 15 contributions would have been made, if the service had been
 16 as a state employee or teacher in this State, to the date of
 17 payment. Payment must be made by a single direct payment or
 18 annual direct payments to the retirement system,--an amount
 19 that,--together-with-regular-interest-on-that-amount,--is-the
 20 actuarial-equivalent,--at-the-effective-date-for-the-member's
 21 retirement--benefit,--of--the--portion--of--the--member's
 22 retirement--benefit--based--on--the--additional--creditable
 23 service.---Annual-payments-must-be-made in accordance with
 24 section 18301, subsection 4.

25 D. The member must have begun membership before January 1,
 26 1976.

27 E. The member's last 10 years of creditable service before
 28 the date of retirement must be as a member of the
 29 participating local district.

30 F. Upon complete payment of the contributions under
 31 paragraph C, the member must be granted service credit for
 32 the period of time for which the contributions have been
 33 made. Upon making partial payment of the contributions
 34 under paragraph C, the member must be granted service credit
 35 on a pro rata basis in accordance with rules adopted by the
 36 board.

FISCAL NOTE

37 This bill will allow more members of the Maine State
 38 Retirement System to purchase service credits for up to 10 years
 39 spent as a parochial or private school teacher and, consequently,
 40 will increase future employer contributions for state employees
 41 and teachers to the Maine State Retirement System. The actual
 42 increase can only be determined after application for the
 43 purchase, as it depends upon the age, service, sex and salary of
 44 the member and the number of years purchased.'

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STATEMENT OF FACT

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This amendment replaces the bill. The amendment changes the conditions under which a member of the retirement system who taught in a parochial school or in a public or private academy may purchase service credit and adds those provisions to the laws relating to participating local districts. This amendment also adds a fiscal note.

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Reported by Senator McCormick for the Committee on Aging, Retirement and Veterans. Reproduced and Distributed Pursuant to Senate Rule 12.
(5/1/91) (Filing No. S-115)