

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

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Legislative Document

No. 370

S.P. 158

In Senate, February 5, 1991

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator DUTREMBLE of York

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STATE OF MAINE

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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-ONE

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**An Act Regarding Purchase of Service Credit by Teachers Who  
Previously Taught in Other than Public Schools.**

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

2  
3 5 MRSA §17763, sub-§1, ¶C, as amended by PL 1989, c. 710,  
4 §10, is repealed and the following enacted in its place:

6 C. The teacher, before any retirement benefit becomes  
7 effective for that teacher, must make contributions into the  
8 Members' Contribution Fund for the years of nonpublic  
9 teaching service on the same basis as the teacher would have  
10 made contributions had the service been in a public school,  
11 including interest at a rate to be set by the board not to  
12 exceed regular interest by 5 or more percentage points.  
13 Interest must be computed beginning the end of the year when  
14 those contributions would have been made, if the service had  
15 been as a public school teacher, to the date of payment.  
16 The payment must be made to the retirement system by a  
17 single direct payment or by annual direct payments made in  
18 accordance with section 17701, subsection 4.

20  
21  
22 **STATEMENT OF FACT**

24 Currently, a public school teacher may buy service credit  
25 for years spent as a parochial or private school teacher. For  
26 payment purposes, this purchase is treated as an annuity with the  
27 teacher paying the value of the service credit minus the interest  
28 that the payment will earn prior to the teacher's retirement.

30 This bill changes the method of payment to the method  
31 available to teachers with out-of-state service. Under the  
32 provisions of this bill, the teacher will pay for the nonpublic  
33 school years at the rate effective at the time of that service.  
34 Interest on the payment will be charged from the time of the  
35 nonpublic teaching service at a rate to be determined by the  
36 board of trustees of the Maine State Retirement System.