

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 371

S.P. 159

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

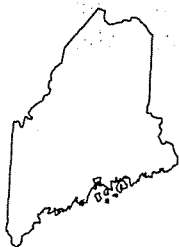
Presented by Senator DUTREMBLE of York

STATE OF MAINE

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

An Act to Provide an Alternative Refinancing Option for Teacher Retirement Payments.

(EMERGENCY)



Emergency preamble. Whereas, Acts of the Legislature do not
2 become effective until 90 days after adjournment unless enacted
as emergencies; and

4
Whereas, the Legislature has determined that the temporary
6 suspension of the State's payments of employer charges for
teachers to the Maine State Retirement System is necessary for
8 the State to meet its overall obligation of having revenues equal
expenditures for the remainder of fiscal year 1990-91; and

10
Whereas, the Legislature finds that a suspension of payments
12 may not be allowed to delay the overall repayment of the State's
funding of its obligations to the Maine State Retirement System
14 and, therefore, that the refinancing must be repaid by June 30,
1999; and

16
Whereas, the refinancing contemplated by this legislation
18 must become effective prior to the end of calendar year 1990; and

20
Whereas, in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
22 Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health and
24 safety; now, therefore,

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

28 **Sec. 1. 5 MRSA §17151, sub-§3 is enacted to read:**

30 3. Interim refinancing. Notwithstanding subsection 2,
funds representing payments of employer charges for teachers,
32 pursuant to section 17154, subsection 6, may not be transferred
for the period December 1, 1990 to June 30, 1991, except as
34 follows.

36 A. Funds otherwise payable during that period, together
with interest on the funds at a rate equivalent to the rate
38 of return for the fund for each year, or portion thereof,
for the period January 1, 1991 to June 30, 1999, must be
40 appropriated and transferred to the Maine State Retirement
System during the period commencing July 1, 1991 and
42 terminating no later than June 30, 1999.

44 **Sec. 2. 5 MRSA §17153, sub-§1-A, ¶B, as enacted by PL 1987, c.**
193, §2, is amended to read:

46
48 B. The Legislature shall appropriate and transfer annually
those funds the board determines to be necessary under this
subsection to maintain the retirement system on an
50 actuarially sound basis and in accordance with the
provisions of section 17151, subsection 3.

2 **Emergency clause.** In view of the emergency cited in the
preamble, this Act takes effect when approved.

4
6 **STATEMENT OF FACT**

8 This bill enables the State to refinance its obligation to
fund its payments of employer charges for teachers to the Maine
10 State Retirement System. The refinancing contemplates the
temporary suspension of those payments for the period December
12 1990 to June 1991. The payments under this refinancing will be
made with interest pursuant to an amortization schedule that will
14 have an earlier date than the current repayment schedule for
those payments. The retirement system, therefore, would not
16 incur any overall financial loss or delay as a result of the
refinancing. The changes to the Maine Revised Statutes, Title 5,
18 sections 17151 and 17153, provide the statutory authorization for
the suspension of these payments during this period and
20 contemplate, as before, that the Board of Trustees of the Maine
State Retirement System will continue to calculate the funds
necessary to be repaid on an actuarially sound basis.