

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

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Legislative Document

No. 376

S.P. 164

Received by the Secretary, February 5, 1991

Reference to the Committee on Banking and Insurance 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 BRANNIGAN of Cumberland  
Cosponsored by Representative RYDELL of Brunswick, Representative GARLAND of  
Bangor and Senator BRAUN of Knox.

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STATE OF MAINE

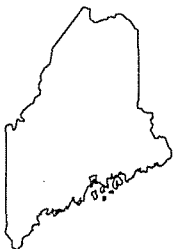
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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-ONE

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**An Act to Authorize the State, Counties and Municipalities to Buy  
Employee-deferred Compensation Plans from Financial Institutions.**

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

2  
4 5 MRSa §881, as amended by PL 1983, c. 791, §1, is further amended to read:

6 **§881. Deferred compensation plan**

8 The State or any county, city, town or other political  
10 subdivision may, by contract, agree with any employee to defer,  
12 in accordance with the United States Internal Revenue Code,  
14 Section 457, a portion of that employee's compensation and  
16 subsequently, contract for, purchase or otherwise procure for the  
18 purpose of funding a deferred compensation program instrument for  
20 the employee a fixed or variable life insurance or annuity  
22 contract from an insurance company licensed to contract business  
24 in this State, or shares of an investment company registered  
26 under the Investment Company Act of 1940 or an individual  
retirement account, simplified employee pension plan or other  
deferred compensation instrument from a financial institution  
authorized to do business in this State. The employee may choose  
the type of deferred compensation program preferred, but the  
State, county, municipality or political subdivision shall is not  
be restricted or bound to that choice.

26 **STATEMENT OF FACT**

28 This bill allows state, county and municipal employees to  
30 enter into deferred compensation agreements with Maine financial  
32 institutions. Presently, only insurance companies and investment  
34 firms may provide deferred compensation plans to public  
employees. These are services that many Maine financial  
institutions already provide to private sector employers and  
employees.