

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

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Legislative Document

No. 532

S.P. 205

In Senate, February 12, 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 McCORMICK of Kennebec

Cosponsored by Representative AULT of Wayne, Senator CLARK of Cumberland and Representative WENTWORTH of Arundel.

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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 Continue Disability Payments to Retirees.

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

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3           Sec. 1. 5 MRSA §17907, sub-§2, ¶A, as repealed and replaced by  
4 PL 1987, c. 256, §16, is amended to read:

6           A. The disability retirement benefit ceases and eligibility  
7 for a service retirement benefit begins on the last day of  
8 the month in which the service retirement benefit of the  
9 beneficiary equals or exceeds the amount of the  
10 beneficiary's disability retirement benefit.

12           ~~(1) -- On the last day of the month in which the 10th~~  
13 ~~anniversary of the beneficiary's normal retirement age~~  
14 ~~occurs; or~~

16           ~~(2) -- On the last day of the month in which the service~~  
17 ~~retirement benefit of the beneficiary would equal or~~  
18 ~~exceed the amount of his disability retirement benefit,~~  
19 ~~if that occurs before the 10th anniversary of the~~  
20 ~~beneficiary's normal retirement age;~~

22           Sec. 2. 5 MRSA §17929, sub-§2, ¶A, as enacted by PL 1989, c.  
23 409, §§8 and 12, is amended as follows:

24           A. The disability retirement benefit ceases and a service  
25 retirement benefit begins when the service retirement  
26 benefit of a person equals or exceeds the amount of the  
27 disability retirement benefit.

30           ~~(1) -- On the 10th anniversary of the person's normal~~  
31 ~~retirement age, as defined in section 17001, subsection~~  
32 ~~23; or~~

34           ~~(2) -- When the service retirement benefit of a person~~  
35 ~~equals or exceeds the amount of the disability~~  
36 ~~retirement benefit, if that occurs before the date in~~  
37 ~~subparagraph (1).~~

38           ~~(a) -- When calculating the person's service~~  
39 ~~retirement benefit, the average final compensation~~  
40 ~~shall be the average final compensation at the~~  
41 ~~time that person terminated active service before~~  
42 ~~receiving disability retirement benefits adjusted~~  
43 ~~by the same percentage adjustments, if any, that~~  
44 ~~were applied to the disability retirement benefits~~  
45 ~~under section 17806.~~

46           ~~(b) -- The person shall receive service credit for~~  
47 ~~the purpose of determining benefits under this~~  
48 ~~Part for the period following termination of~~  
49 ~~service for which that person receives disability~~  
50 ~~retirement benefits under this article; and~~  
51

2           When calculating the person's service retirement benefit,  
4           the average final compensation is the average final  
6           compensation at the time that person terminated active  
8           service before receiving disability retirement benefits  
          adjusted by the same percentage adjustments, if any, that  
          were applied under section 17806 to the disability  
          retirement benefits.

10           The person receives service credit for the purpose of  
12           determining benefits under this Part for the period  
14           following termination of service retirement for which that  
          person receives disability retirement benefits under this  
          article; and

16

### STATEMENT OF FACT

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20           Currently, persons on retirement disability receive 2/3 of  
22           their regular compensation until regular retirement compensation  
          exceeds that amount or until they are 10 years past the normal  
          retirement age of 60 years.

24

26           This bill eliminates the provision that a person is  
          automatically shifted from disability pay to normal retirement  
          pay at age 70. Under this bill the switch is made only when the  
          retiree receives more compensation as a result of the switch.

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