

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 986

H.P. 687

House of Representatives, March 8, 1991

Received by the Clerk of the House on March 6, 1991. Referred to the Committee on Aging, Retirement and Veterans and 1400 ordered printed pursuant to Joint Rule 14.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative JALBERT of Lisbon.

STATE OF MAINE

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

**An Act to Amend the Provisions of the Maine State Retirement System
Laws Relating to Benefits of Inactive Members Who Retire after Normal
Retirement Age.**



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

2
4 **Sec. 1. 5 MRSA §17804, first ¶**, as amended by PL 1989, c. 95, §9, is further amended to read:

6 Except as provided in subsection 6, payment of a service retirement benefit shall must begin on the first day of the month following the month in which the qualifying member becomes eligible to receive payment of the member's service retirement benefit under section 17851 or 17907. A full month's benefit shall must be paid to the beneficiary or estate of the recipient for the month in which the member dies. -A- Except as provided in subsections 6 and 7, a qualifying member may select payment in one of the following methods.

16 **Sec. 2. 5 MRSA §17804, sub-§7** is enacted to read:

18 7. Retirement after normal retirement age. If the application for service retirement benefits from a member who qualifies for a service retirement benefit under section 17851, subsection 2, is received by the retirement system more than one year after the member reaches normal retirement age, payment of the member's benefits must be under subsection 1.

24 **Sec. 3. 5 MRSA §18404, first ¶**, as amended by PL 1989, c. 95, §16, is further amended to read:

28 Except as provided in subsection 6, payment of a service retirement benefit shall must begin on the first day of the month following the month in which the qualifying member becomes eligible to receive payment of the member's service retirement benefit under section 18451 or 18507. A full month's benefit shall must be paid to the beneficiary or estate of the recipient for the month in which the member dies. -A- Except as provided in subsections 6 and 7, a qualifying member may select payments in one of the following methods.

38 **Sec. 4. 5 MRSA §18404, sub-§7** is enacted to read:

40 7. Retirement after normal retirement age. If the application for service retirement benefits from a member who qualifies for a service retirement benefit under section 18451, subsection 2, is received by the retirement system more than one year after the member reaches normal retirement age, payment of the member's benefits must be under subsection 1.

46 **Sec. 5. Implementation.** Before the effective date of this Act, the Maine State Retirement System shall notify by certified mail, at their last known addresses, all inactive members over normal retirement age who are eligible to retire under the Maine Revised Statutes, Title 5, section 17851, subsection 2 or section 18451, subsection 2, that if they do not file applications before

2 January 1, 1993, the method in which their retirement benefits
will be paid will be affected.

4 **Sec. 6. Effective date.** This Act takes effect January 1, 1992.

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8 **STATEMENT OF FACT**

10 This bill amends the provisions of the laws governing the
Maine State Retirement System relating to benefits of inactive
12 members who retire after reaching normal retirement age. Current
practice allows an inactive member to postpone retirement for a
14 number of years and then select the most favorable option
retroactively.

16 This bill limits payment of benefits to full benefits, which
are monthly payments for the retiree's lifetime with no further
18 payments after the retiree's death, if the application for
service retirement benefits is received by the retirement system
20 more than one year following the attainment of normal retirement
age.

22 The bill also requires that, before January 1, 1992, the
24 Maine State Retirement System notify each inactive vested member
who is over normal retirement age before that date that if the
26 member does not file an application for retirement benefits
before January 1, 1993, the method in which the benefits will be
28 paid will be limited to full benefits.