

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1453

S.P. 549

In Senate, April 11, 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 MATTHEWS of Kennebec

STATE OF MAINE

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

An Act Regarding Survivor Benefits in the Event of Remarriage.

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

2
3. Sec. 1. 5 MRSA §17805, sub-§3, as enacted by PL 1985, c. 801,
4 §§5 and 7, is amended to read:

6 3. Amount of benefit. The amount of the benefit payable
7 under the option elected shall ~~be~~ is the actuarial equivalent, at
8 the date of the beginning of payment of benefits under this
9 section, of the amount of ~~reduced~~ the full retirement benefit the
10 recipient has would have been receiving, if the recipient had not
11 designated the former spouse as beneficiary.

12
13 Sec. 2. Application. For those members of the Maine State
14 Retirement System who have retired and who, prior to the
15 effective date of this Act, designated a new spouse as
16 beneficiary in place of a deceased spouse, this Act applies to
17 payments to those members after the effective date of this Act,
18 but does not apply to past payments.

20
21
22 STATEMENT OF FACT

24 Currently, if a member of the Maine State Retirement System
25 designates a beneficiary upon retirement, the member receives
26 reduced benefits while alive. These benefits equal 85% of the
27 full benefits less 1% for each year that the beneficiary is
28 younger than the retiree. If the beneficiary is a spouse and the
29 spouse dies, the retiree may name a new spouse as beneficiary.
30 However, the benefit reduction for the 2nd spouse is taken from
31 the already reduced benefit, not from the full benefit.

32
33 This bill requires that the benefit reduction for any spouse
34 be taken from the retiree's full benefit and does not change the
35 requirement that the reduction for each spouse be calculated on
36 the same basis.