



115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1520

H.P. 1047

House of Representatives, April 16, 1991

Reference to the Committee on Aging, Retirement and Veterans suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative JALBERT of Lisbon. Cosponsored by Representative ALIBERTI of Lewiston.

STATE OF MAINE

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

An Act to Amend the Maine State Retirement System Laws Relating to Military Service Credits.

· _	Be it enacted by the People of the State of Maine as follows:
2 4	Sec. 1. 5 MRSA 17655 , sub- 1 , as amended by PL 1985, c. 801, S and 7, is further amended to read:
e	1. Membership continued. The membership of the following
6 8	employees is considered to have continued during the period of the employee's service in the Armed Forces of the United States:
10	A. Any employee entering a class of service in the Armed Forces of the United States approved by resolution of the
12	board, if the employee does not withdraw accumulated contributions; and
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16	B. Any employee who enlists in or is inducted or drafted into the service of the Armed Forces of the United States in time of war, including:
18	(1) During World War I between April 6, 1917, and
20	March 3, 1921; $\Theta \neq and$
22	(2)While-the-United-States-Selective-Service-Act-of 19487-Public-Law-759780th-Congress7orany-ofits
24	amendments-or-extensions-is-in-effect.
26	<u>C. Any employee who is drafted into the service of the</u> Armed Forces of the United States while the United States
28	<u>Selective Service Act of 1948, Public Law 759, 80th</u> Congress, or any of its amendments or extensions is in
30	<u>effect.</u>
32	Sec. 2. 5 MRSA §17760, first \P , as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:
34	Service credit for service in the United States Armed Forces
36	is governed as follows. <u>Except as provided in subsection 1,</u> paragraph B, subparagraph (1), service credit under this section
38	is limited to 4 years.
40	Sec. 3. 5 MRSA §17760, sub-§2, ¶B, as enacted by PL 1985, c. 801, §§5 and 7, is repealed.
42	Sec. 4. 5 MRSA §17760, sub-§2, ¶G is enacted to read:
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46	G. A member is entitled to credit under paragraph E if that member is unable to qualify for military service credits or benefits from any other retirement plan, according to rules
48	established by the board of trustees.
50	Sec. 5. 5 MRSA \$18258, sub-\$1, as amended by PL 1987, c. 739, \$\$32 and 48, is further amended to read:
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1. Membership continued. The membership of the following employees is considered to have continued during the period of the employee's service in the Armed Forces of the United States:

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A. Any employee entering a class of service in the Armed Forces of the United States approved by resolution of the board, if the employee does not withdraw accumulated contributions; and

B. Any employee who enlists in or is inducted or drafted into the service of the Armed Forces of the United States in time of war, including:

(1) During World War I between April 6, 1917, and March 3, 1921; e_{\pm} and

(2)--While-the-United-States-Selective-Service-Act-of 1948,--Public-Law-759,--80th-Congress,--or-any-of--its amendments-or-extensions-is-in-effect.

C. Any employee who is drafted into the service of the Armed Forces of the United States while the United States Service Act of 1948, Public Law 759, 80th Congress, or any of its amendments or extensions is in effect.

Sec. 6. 5 MRSA §18311, sub-§2, ¶A, as amended by PL 1989, c. 710, §17, is further amended to read:

A. If the member qualifies under section 18360, subsection 2, paragraph-D,- contributions shall <u>must</u> be calculated at the percentage rate required of active members during the period of time covered by the service in the armed forces applied to the member's earnable compensation during the first year as an employee subsequent to service in the armed forces under the following terms and conditions:

(1) If 2 or more percentage rates were in effect during the period of service in the armed forces, the highest percentage rate shall must be used;

(2) The minimum rate shall must be 5%; and

(3) Interest at a rate set by the board not to exceed regular interest by 2 or more percentage points shall <u>must</u> be paid on the unpaid balance beginning January 1, 1976, or the date of attaining 15 years of creditable service, if later, to the date payment is made.

Sec. 7. 5 MRSA §18311, sub-§2, ¶B, as enacted by PL 1985, c. 50 801, §§5 and 7, is repealed. Sec. 8. 5 MRSA §18360, first \P , as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

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Service credit for service in the Armed Forces of the United States is governed as follows. <u>Except as provided in subsection</u> <u>1, paragraph B, subparagraph (1), service credit under this</u> <u>section is limited to 4 years.</u>

Sec. 9. 5 MRSA §18360, sub-§2, ¶B, as enacted by PL 1985, c. 801, §§5 and 7, is repealed.

Sec. 10. 5 MRSA \$18360, sub-\$2, \PE , as enacted by PL 1985, c. 801, \$5 and 7, is amended to read:

E. A member who served in the armed forces at-any-time-from August--5,--1964-to--May--7,--1975 during any federally recognized period of conflict, as defined in Title 37-B, section 504, subsection 4, paragraph A-1, subparagraph (3), is entitled to service credit under this subsection if-he begins--membership--before-January-1,--1988. A member is entitled to credit under this paragraph if that member is unable to qualify for military service credits or benefits from any other retirement plan, according to rules established by the board of trustees.

STATEMENT OF FACT

This bill reverses 2 unintended substantive changes made at the time the Maine State Retirement System laws were recodified in 1986 and to make the military service provisions relating to participating local district members consistent with comparable laws relating to state employees and teachers.