

MAINE STATE LEGISLATURE

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
115TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1554, L.D. 2192, Bill, "An Act Related to Ordinary Death Benefits under the Maine State Retirement System as It Affects Terminally Ill Members"

Amend the bill by striking out the title and substituting the following:

'An Act Relating to Ordinary Death Benefits under the Maine State Retirement System'

Further amend the bill by striking out everything after the title and inserting in its place the following:

'Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, this Act makes changes in survivor benefits under the Maine State Retirement System that are vital to the survivors of members of the system who may die before 90 days after the adjournment of this Legislature; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 5 MRSA §17951, sub-§2, as amended by PL 1991, c. 469, §1, is further amended to read:

2. Qualifying member. "Qualifying member" means a member in service or a former member who is receiving a disability retirement benefit. ~~Beginning July 1, 1993, for~~ For purposes of section 17953, subsection 1, "qualifying member" also means a member not in service. For purposes of section 17953, subsection

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5-B, "qualifying member" also means a member not in service who has qualified for a service retirement benefit.

Sec. 2. 5 MRSA §17953, first ¶, as amended by PL 1991, c. 469, §2, is further amended to read:

~~Before July 1, 1993, if a qualifying member dies at any time before completing the age and service requirements for service retirement, the payment of ordinary death benefits is governed as follows. Beginning July 1, 1993, if~~ If a qualifying member dies before the member's service retirement benefit becomes effective, the payment of ordinary death benefits is governed as follows. ~~In either case, the~~ The member's beneficiary may select only one of the death benefits.

Sec. 3. 5 MRSA §17953, sub-§5-B, as enacted by PL 1991, c. 469, §2, is amended to read:

5-B. **Reduced retirement benefits.** ~~Beginning July 1, 1993,~~ instead Instead of accepting the benefits under subsection 1 or 2, the first listed person under paragraph A living at the time of death of the qualifying member may elect the benefits in this subsection.

A. The persons eligible to make the election under this subsection are the qualifying member's:

- (1) Designated beneficiary;
- (2) Surviving spouse;
- (3) Child or children; or
- (4) Parent or parents.

B. Benefits under this subsection are paid as follows.

(1) The benefit is computed in accordance with section 17852, subsection 3, if applicable, as if the service retirement of the qualifying member had taken place on the date of the member's death.

(2) The beneficiary is paid beginning on the first day of the month after the death of the qualifying member and continuing until the last day of the month in which the beneficiary's death occurs.

(3) Benefits under this subsection are paid in accordance with section 17804, subsection 3.

2 C. If the monthly benefit payable under this subsection is
4 \$10 or less, in lieu of those payments a lump sum that is
6 the actuarial equivalent of the benefit to which the
8 beneficiary is entitled must be paid on the date the first
monthly payment would otherwise be paid. A beneficiary who
receives a lump sum payment under this subsection does not
forfeit any other benefit to which the member would be
entitled if the member were receiving a monthly benefit
payment.

10 Sec. 4. 5 MRSA §17954, sub-§3, as enacted by PL 1991, c. 469,
12 §3, is repealed.

14 Sec. 5. 5 MRSA §18551, sub-§2, as amended by PL 1991, c. 469,
16 §4, is further amended to read:

18 2. **Qualifying member.** "Qualifying member" means a member
in service or a former member who is receiving a disability
retirement benefit. ~~Beginning July 1, 1993, for~~ For purposes of
20 section 18553, subsection 1, "qualifying member" also means a
member not in service. For purposes of section 18553, subsection
22 5-B, "qualifying member" also means a member not in service who
has qualified for a service retirement benefit.

24 Sec. 6. 5 MRSA §18553, first ¶, as amended by PL 1991, c. 469,
26 §5, is further amended to read:

28 ~~Before July 1, 1993, if a qualifying member dies at any time~~
~~before completing the age and service requirements for service~~
30 ~~retirement, the payment of ordinary death benefits is governed as~~
~~follows. Beginning July 1, 1993, if~~ If a qualifying member dies
32 before the member's service retirement benefit becomes effective,
the payment of ordinary death benefits is governed as follows.
34 ~~In either case, the~~ The member's beneficiary may select only one
of the death benefits.

36 Sec. 7. 5 MRSA §18553, sub-§5-B, as enacted by PL 1991, c.
38 469, §5, is amended to read:

40 5-B. **Reduced retirement benefits.** ~~Beginning July 1, 1993,~~
instead Instead of accepting the benefits under subsection 1 or
42 2, the first listed person under paragraph A living at the time
of death of the qualifying member may elect the benefits in this
44 subsection.

46 A. The persons eligible to make the election under this
subsection are the qualifying member's:

- 48 (1) Designated beneficiary;

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- (2) Surviving spouse;
- (3) Child or children; or
- (4) Parent or parents.

B. Benefits under this subsection are paid as follows.

(1) The benefit is computed in accordance with section 18452, subsection 3, if applicable, as if the service retirement of the qualifying member had taken place on the date of the member's death.

(2) The beneficiary is paid beginning on the first day of the month after the death of the qualifying member and continuing until the last day of the month in which the beneficiary's death occurs.

(3) Benefits under this subsection are paid in accordance with section 18404, subsection 3.

C. If the monthly benefit payable under this subsection is \$10 or less, in lieu of those payments a lump sum that is the actuarial equivalent of the benefit to which the beneficiary is entitled must be paid on the date the first monthly payment would otherwise be paid. A beneficiary who receives a lump sum payment under this subsection does not forfeit any other benefit to which the member would be entitled if the member were receiving a monthly benefit payment.

Sec. 8. 5 MRSA §18554, sub-§3, as enacted by PL 1991, c. 469, §6, is repealed.

Sec. 9. Expenditures in excess of allocations. Expenditures required by this Act of funds other than the General Fund or the Highway Fund are authorized to exceed legislative allocations during the current biennium. Appropriate adjustments to basic work programs facilitating these expenditures in excess of allocations must be recommended by the State Budget Officer and approved by the Governor.

Sec. 10. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

	1991-92	1992-93
EDUCATION, DEPARTMENT OF		

Teachers' Retirement

2	All Other	\$98,024	\$415,622
4			
6	Provides funds to cover		
8	increased employer		
	contributions to the Maine		
	State Retirement System for		
	teachers.		

10	DEPARTMENT OF EDUCATION		
12	TOTAL	<u>\$98,024</u>	<u>\$415,622</u>

**FINANCE, DEPARTMENT OF
Reserve for Retirement Contributions**

18	Personal Services	\$45,967	\$194,900
20			
22	Provides funds to cover		
24	increased employer		
	contributions to the Maine		
	State Retirement System for		
	General Fund positions.		

26	DEPARTMENT OF FINANCE		
28	TOTAL	<u>\$45,967</u>	<u>\$194,900</u>

30	TOTAL APPROPRIATIONS	<u>\$143,991</u>	<u>\$610,522</u>
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32 **Sec. 11. Allocation.** The following funds are allocated from
34 the Highway Fund to carry out the purposes of this Act.

36		1991-92	1992-93
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**FINANCE, DEPARTMENT OF
Reserve for Retirement Contributions**

42	Personal Services	\$10,380	\$44,010
44			
46	Provides funds to cover		
48	increased employer		
	contributions to the Maine		
	State Retirement System for		
	Highway Fund positions.		

DEPARTMENT OF FINANCE
TOTAL

\$10,380 \$44,010

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved.

FISCAL NOTE

1991-92 1992-93

APPROPRIATIONS/ALLOCATIONS

General Fund	\$143,991	\$610,522
Highway Fund	10,380	44,010

This bill will require an increase of employer contributions to the Maine State Retirement System for state employees and teachers during the current biennium totaling \$172,164 in fiscal year 1991-92 and \$729,977 in fiscal year 1992-93.

Additional General Fund appropriations of \$98,024 and \$415,622 in fiscal years 1991-92 and 1992-93, respectively, are required for the teachers' portion. General Fund appropriations of \$45,967 and \$194,900 and Highway Fund allocations of \$10,380 and \$44,010 in fiscal years 1991-92 and 1992-93, respectively, are set aside in reserve accounts to fund these increases for state employees. The cost to Other Fund accounts is \$17,794 in fiscal year 1991-92 and \$75,445 in fiscal year 1992-93. The State Budget Officer with the approval of the Governor may increase allotments to meet these additional expenditures for these accounts.'

STATEMENT OF FACT

Public Law 1991, chapter 469 permits a survivor of a qualifying member to choose the so-called "automatic option 2" benefit beginning July 1, 1993, if the qualifying member dies before completing 25 years of creditable service or reaching normal retirement age. This amendment makes that option available on the effective date of this bill. The amendment also adds an appropriation section, an allocation section and a fiscal note.

Reported by the Committee on Aging, Retirement and Veterans
Reproduced and distributed under the direction of the Clerk of the House
2/27/92 (Filing No. H-998)