

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FOURTH SPECIAL SESSION-1992

Legislative Document

No. 2466

S.P. 977

In Senate, October 16, 1992

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 COLLINS of Aroostook (GOVERNOR'S BILL).

Cosponsored by Senator McCORMICK of Kennebec and Representative JALBERT of Lisbon.

STATE OF MAINE

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

**An Act to Amend the Disability Provisions of the Maine State
Retirement Laws to Comply with the Requirements of the Older Workers
Benefit Protection Act.**

(EMERGENCY)



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

4
6 **Whereas,** the federal Older Workers Benefit Protection Act
becomes effective as to public employers on October 16, 1992; and

8 **Whereas,** the federal Older Workers Benefit Protection Act
requires that public retirement plans, including the disability
10 provisions of those plans, be nondiscriminatory as to age; and

12 **Whereas,** the federal Equal Employment Opportunity Commission
has failed to promulgate rules or issue any regulatory guidance
14 as to approaches to establishing a nondiscriminatory disability
plan having the least cost impact on employers and the least
16 benefit impact for employees; and

18 **Whereas,** the Legislature created the Commission to Study a
Long-term Disability Program for the Maine State Retirement
20 System Members and directed it to develop an alternative
disability program as provided by the transitional language in
22 the federal Older Workers Benefit Protection Act that
approximates the overall cost of the present Maine State
24 Retirement System disability programs; and

26 **Whereas,** the federal Equal Employment Opportunity
Commission's failure to act has severely limited the approaches
28 available to the commission to meet the intent of the
Legislature; and

30 **Whereas,** if existing disability provisions of the Maine
32 State Retirement System laws are not amended, there will be a
substantial risk that those provisions will not meet the
34 requirements of the federal Older Workers Benefit Protection Act,
resulting in liability under that Act for the Maine State
36 Retirement System; and

38 **Whereas,** enactment of this Act will amend the Maine State
Retirement System laws to conform to the requirements of the
40 federal Older Workers Benefit Protection Act while not increasing
the disability benefit costs to public employers and while
42 allowing current employees to elect whether or not to be covered
under the amendments; and

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

50

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

2
4 **Sec. 1. 4 MRSA §1353, sub-§1**, as amended by PL 1983, c. 863, Pt. B, §§26 and 45, is further amended to read:

6 **1. Conditions.** Any member, who becomes disabled, while in
8 service may receive a disability retirement allowance by order of
10 at least 5 Justices of the Supreme Judicial Court or upon written
12 application to the executive director, review and report of the
14 application by the medical board and approval of that application
16 by at least 5 of the Justices of the Supreme Judicial Court if
18 ~~the following conditions are met:~~ that member is mentally or
physically incapacitated to the extent that it is impossible for
that member to perform the duties as a judge and the incapacity
is expected to be permanent, as shown by medical examination or
tests. A qualified physician mutually agreed upon by the
executive director and member shall conduct the examinations or
tests at an agreed upon place, and the costs must be paid by the
Maine State Retirement System.

20 ~~A. He has not completed the eligibility requirements for
22 retirement under section 1351, subsection 1 or 2 and~~

24 ~~B. He became mentally or physically incapacitated to the
26 extent that it is impossible for him to perform his duties
as a judge, and the incapacity is expected to be permanent,
as shown by medical examination or tests. The examination
28 or tests shall be conducted by a qualified physician
mutually agreed upon by the executive director and member,
30 at an agreed upon place, and the costs shall be paid by the
Maine Judicial Retirement System.~~

32 **Sec. 2. 4 MRSA §1353, sub-§2**, as amended by PL 1983, c. 863,
34 Pt. B, §§26 and 45, is further amended to read:

36 **2. Amount.** The Until July 1, 1994, the amount of a
38 disability retirement allowance shall be 66-2/3% is 59% of the
member's average final compensation. Any member entitled to this
benefit who was serving as a judge on November 30, 1984, may
40 elect to have his that member's disability benefits calculated in
accordance with chapter 29, instead of this subsection. A member
42 who is serving as a judge on October 16, 1992 may elect to be
covered under the disability benefit plan applicable to the judge
44 as that plan is amended to meet the requirements of the federal
Older Workers Benefit Protection Act. The election must be made
46 by the same procedure provided in Title 5, section 17941 for
state employees.

48 **Sec. 3. 4 MRSA §1353, sub-§7, ¶A**, as enacted by PL 1983, c.
50 853, Pt. C, §§15 and 18, is amended to read:

2 A. The disability retirement allowance of a beneficiary
3 shall must cease at age 70, ~~or prior thereto,~~ whenever the
4 service retirement allowance of the beneficiary would equal
5 or exceed the amount of his the member's disability
6 retirement allowance.

8 ~~{1}-- On the last day of the month in which the 10th
9 anniversary of the beneficiary's normal retirement age
10 occurs; or--~~

12 ~~{2}-- On the last day of the month in which the service
13 retirement benefit of the beneficiary would equal or
14 exceed the amount of his disability retirement benefit,
15 if that occurs before the 10th anniversary of the
16 beneficiary's normal retirement age;~~

18 **Sec. 4. 5 MRSA §17904, sub-§1,** as enacted by PL 1985, c. 801,
19 §§5 and 7, is amended to read:

20
21 **1. Qualification.** Except as provided in subsection 2, a
22 member qualifies for a disability retirement benefit if he the
23 member becomes disabled; while in service.

24 A. ~~While in service; and~~

26 B. ~~Before reaching the normal retirement age.~~

28 **Sec. 5. 5 MRSA §17905,** as enacted by PL 1985, c. 801, §§5 and
30 7, is amended to read:

32 **§17905. Computation of benefit**

34 When Until July 1, 1994, when a member qualified under
35 section 17904 retires, the member shall is entitled to receive a
36 disability retirement benefit equal to ~~66-2/3%~~ 59% of his the
37 member's average final compensation.

38 **Sec. 6. 5 MRSA §17907, sub-§2, ¶A,** as repealed and replaced by
40 PL 1987, c. 256, §16, is amended to read:

42 A. The disability retirement benefit ceases and eligibility
43 for a service retirement benefit begins; on the last day of
44 the month in which the service retirement benefit of the
45 beneficiary would equal or exceed the amount of the member's
46 disability retirement benefit.

48 ~~{1}-- On the last day of the month in which the 10th
49 anniversary of the beneficiary's normal retirement age
50 occurs; or--~~

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

Sec. 7. 5 MRSA §17924, sub-§1, as enacted by PL 1989, c. 409, §§8 and 12, is amended to read:

1. Qualification. Except as provided in subsection 2, a member qualifies for a disability retirement benefit if disabled while in service.

- A. ~~While in service;~~ and
- B. ~~Before reaching the normal retirement age.~~

Sec. 8. 5 MRSA §17928, as enacted by PL 1989, c. 409, §§8 and 12, is amended to read:

§17928. Computation of benefit

When Until July 1, 1994, when a member qualified under section 17924 retires, after approval for disability retirement by the executive director in accordance with section 17925, the member shall is entitled to receive a disability retirement benefit equal to ~~66-2/3%~~ 59% of that member's average final compensation.

Sec. 9. 5 MRSA §17929, sub-§2, ¶A, as enacted by PL 1989, c. 409, §§8 and 12, is amended to read:

A. The disability retirement benefit ceases and a service retirement benefit begins; when the service retirement benefit of a person equals or exceeds the amount of the disability retirement benefit.

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

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

~~(a) -- When calculating the person's service retirement benefit, the average final compensation shall be the average final compensation at the~~

2 time that person terminated active service before
receiving disability retirement benefits adjusted
4 by the same percentage adjustments, if any, that
were applied to the disability retirement benefits
under section 17806.

6 (b) The person shall receive service credit for
8 the purpose of determining benefits under this
Part for the period following termination of
10 service for which that person receives disability
retirement benefits under this article; and

12 (1) When calculating the person's service retirement
14 benefit, the average final compensation is the average
16 final compensation at the time that person terminated
18 active service before receiving disability retirement
benefits adjusted by the same percentage adjustments,
if any, that were applied to the disability retirement
benefits under section 17806.

20 (2) The person is entitled to receive service credit
22 for the purpose of determining benefits under this Part
24 for the period following termination of service for
26 which that person receives disability retirement
benefits under this article.

28 **Sec. 10. 5 MRSA c. 423, sub-c. V, art. 3-B is enacted to read:**

30 **Article 3-B**

32 **MEMBER ELECTION OF DISABILITY PLAN**

34 **§17941. Member election of disability plan**

36 1. Member election. A member who was hired as a state
38 employee or teacher before October 16, 1992 and who is so
40 employed on that date may elect to be covered under the
retirement system disability plan applicable to the member as
that plan is amended to meet the requirements of the federal
Older Workers Benefit Protection Act.

42 A. The retirement system is responsible for providing to
44 state agencies and school administrative units information
46 that describes the applicable disability plan as amended to
48 meet the requirements of the federal Older Workers Benefit
Protection Act, the disability plan without those amendments
and a form for individual member election to be covered
under the plan as amended.

2 B. The state agency or school administrative unit is
4 responsible for giving the information and election form to
6 each member entitled to the election, for collecting the
8 completed election forms and for returning the election
10 forms to the retirement system.

12 C. The state agency or school administrative unit shall
14 give the information and election form to each member
16 entitled to the election not later than October 16, 1992.

18 D. A member's election to be covered under the applicable
20 disability plan as amended to meet the requirements of the
22 federal Older Workers Benefit Protection Act is effective
24 180 days after October 16, 1992.

26 E. A member's election is not effective unless it is signed
28 and dated on or before a date established by the executive
30 director that may not be later than 180 days after October
32 16, 1992 and the election is irrevocable.

34 F. The state agency or school administrative unit shall
36 return the completed election forms to the retirement system
38 by a date established by the executive director that may not
40 be later than 180 days after October 16, 1992.

42 G. The executive director may establish additional policies
44 and procedures necessary to carry out this section in an
46 efficient and fair manner.

48 2. Members who do not elect. Until a member elects to be
50 covered under the applicable retirement system disability plan as
52 amended to meet the requirements of the federal Older Workers
54 Benefit Protection Act and the election is effective, the member
56 is covered under the plan without those amendments.

58 **Sec. 11. 5 MRSA §18202, sub-§3** is enacted to read:

60 3. Application. Notwithstanding the provisions of
62 subsections 1 and 2, the amendments made to retirement system
64 disability plans to meet the requirements of the federal Older
66 Workers Benefit Protection Act apply to each participating local
68 district without adoption by the district.

70 **Sec. 12. 5 MRSA §18504, sub-§1**, as enacted by PL 1985, c. 801,
72 §§5 and 7, is amended to read:

74 1. Qualification. Except as provided in subsection 2, a
76 member qualifies for a disability retirement benefit if he the
78 member becomes disabled; while in service.
80

2 A. ~~While in service; and~~

4 B. ~~Before reaching the normal retirement age.~~

6 Sec. 13. 5 MRSA §18505, as enacted by PL 1985, c. 801, §§5
and 7, is amended to read:

8 **§18505. Computation of benefit**

10 When Until July 1, 1994, when a member qualified under
12 section 18504 retires, the member shall is entitled to receive a
disability retirement benefit equal to ~~66-2/3-~~ 59% of his the
14 member's average final compensation.

16 Sec. 14. 5 MRSA §18507, sub-§2, ¶A, as repealed and replaced
by PL 1987, c. 256, §41, is amended to read:

18 A. A disability retirement benefit ceases and eligibility
20 for a service retirement benefit begins on the last day of
the month in which the service retirement benefit of the
22 beneficiary equals or exceeds the amount of the member's
disability retirement benefit.

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

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

34 Sec. 15. 5 MRSA §18524, sub-§1, as enacted by PL 1989, c. 409,
36 §§11 and 12, is amended to read:

38 1. **Qualification.** Except as provided in subsection 2, a
member qualifies for a disability retirement benefit if disabled;
40 while in service.

42 A. ~~While in service; and~~

44 B. ~~Before reaching the normal retirement age.~~

46 Sec. 16. 5 MRSA §18528, as enacted by PL 1989, c. 409, §§11
and 12, is amended to read:

48 **§18528. Computation of benefit**

2 When Until July 1, 1994, when a member qualified under
3 section 18524 retires, after approval for disability retirement
4 by the executive director in accordance with section 18525, the
5 member shall is entitled to receive a disability retirement
6 benefit equal to ~~66--2/3%~~ 59% of that member's average final
7 compensation.

8 **Sec. 17. 5 MRSA §18529, sub-§2, ¶A,** as enacted by PL 1989, c.
9 409, §§11 and 12, is amended to read:

10 A. The disability retirement benefit ceases and a service
11 retirement benefit begins when the service retirement
12 benefit of a person equals or exceeds the amount of the
13 disability retirement benefit.

14 ~~(1) On the 10th anniversary of the person's normal~~
15 ~~retirement age, as defined in section 17001, subsection~~
16 ~~23, or~~ When calculating the person's service
17 retirement benefit, the average final compensation is
18 the average final compensation at the time that person
19 terminated active service before receiving disability
20 retirement benefits adjusted by the same percentage
21 adjustments, if any, that were applied to the
22 disability retirement benefits under section 18407.

23 ~~(2) When the service retirement benefit of a person~~
24 ~~equals or exceeds the amount of the disability~~
25 ~~retirement benefit, if that occurs before the date in~~
26 ~~subparagraph (1).~~ The person is entitled to receive
27 service credit for the purpose of determining benefits
28 under this Part for the period following termination of
29 service for which that person receives disability
30 retirement benefits under this article; and

31 ~~(a) When calculating the person's service~~
32 ~~retirement benefit, the average final compensation~~
33 ~~shall be the average final compensation at the~~
34 ~~time that person terminated active service before~~
35 ~~receiving disability retirement benefits adjusted~~
36 ~~by the same percentage adjustments, if any, that~~
37 ~~were applied to the disability retirement benefits~~
38 ~~under section 18407.~~

39 ~~(b) The person shall receive service credit for~~
40 ~~the purpose of determining benefits under this~~
41 ~~Part for the period following termination of~~
42 ~~service for which that person receives disability~~
43 ~~retirement benefits under this article; and~~

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Sec. 18. 5 MRSA c. 425, sub-c. V, art. 3-B is enacted to read:

Article 3-B

MEMBER ELECTION OF DISABILITY PLAN

§18541. Member election of disability plan

1. Member election. Each participating local district shall offer to members who are employees of the district hired before October 16, 1992 and so employed on that date an opportunity to elect to be covered under the district's disability plan as amended to meet the requirements of the federal Older Workers Benefit Protection Act.

A. The retirement system is responsible for providing to the participating local district information that describes the district's disability plan as amended to meet the requirements of the federal Older Workers Benefit Protection Act, the district's disability plan without those amendments and a form for individual member election to be covered under the plan as amended.

B. The participating local district is responsible for giving the information and election form to each member entitled to the election, for collecting the completed election forms and for returning the election forms to the retirement system.

C. The participating local district shall give the information and election form to each member not later than October 16, 1992.

D. A member's election to be covered under the district's disability plan as amended to meet the requirements of the federal Older Workers Benefit Protection Act is effective 180 days after October 16, 1992.

E. A member's election is not effective unless it is signed and dated on or before a date established by the executive director that is not later than 180 days after October 16, 1992 and the election is irrevocable.

F. The participating local district shall return the completed election forms to the retirement system not later than a date established by the executive director that may not be later than 180 days after October 16, 1992.

2 G. The executive director may establish additional policies
3 and procedures necessary to carry out this section in an
4 efficient and fair manner.

5 2. Members who do not elect. Until a member elects to be
6 covered under the district's disability plan as amended to meet
7 the requirements of the federal Older Workers Benefit Protection
8 Act and the election is effective, the member is covered under
9 the plan without those amendments.

10 **Sec. 19. 5 MRSA c. 425, sub-c. V, art. 3-C** is enacted to read:

11 Article 3-C

12 DISABILITY UNDER FORMERLY AVAILABLE
13 DISABILITY PLANS AFTER OCTOBER 16, 1992

14 **§18542. Disability under formerly available disability plans**
15 after October 16, 1992

16 In the case of a participating local district having a
17 retirement system disability plan other than that provided by
18 article 3 or 3-A, which plan is in force on October 15, 1992, the
19 following provisions apply on and after October 16, 1992:

20 1. Eligibility. A member who is an employee of the
21 district who applies for a disability retirement benefit after
22 the effective date of the member's election to be covered under
23 the plan as amended to meet the requirements of the federal Older
24 Workers Benefit Protection Act is eligible to apply regardless of
25 the member's age at time of application;

26 2. Ordinary disability allowance. In the case of ordinary
27 disability under such a plan, the disability retirement allowance
28 must be calculated as provided under the plan except that until
29 July 1, 1994 the amount of the retirement allowance may not
30 exceed 59% of the member's average final compensation at the time
31 of disability retirement; and

32 3. Occupational disability allowance. In the case of
33 occupational disability under such a plan, the disability
34 retirement allowance is, until July 1, 1994, equal to 59% of the
35 member's average final compensation at the time of disability
36 retirement.

37 **Sec. 20. Application.** The amendments made by this Act to the
38 disability plans of the Maine Judicial Retirement System and the
39 Maine State Retirement System for members who are Legislators,
40 state employees and teachers and to the disability

2 plans of participating local districts for members who are
3 district employees apply to those members who elect, in
4 accordance with this Act, to be covered under the applicable
5 disability plan as amended by this Act and to those who become
6 members after October 16, 1992. For those members who so elect,
7 the applicable disability plan as amended by this Act applies to
8 a written application for disability retirement received by the
9 retirement system after the effective date of the election. For
10 those who become members after October 16, 1992, the applicable
11 disability plan as amended by this Act applies to a written
12 application for disability retirement received by the retirement
13 system after October 16, 1992.

14 Except as specifically provided in this Act, nothing in this
15 Act changes any standard for or requirement of eligibility for
16 disability, on initial application or subsequent review, under
17 any retirement system disability plan in effect immediately prior
18 to enactment of this Act.

20 Members who are judges, Legislators, state employees,
21 teachers or employees of participating local districts who do not
22 elect to be covered under the applicable disability plan as
23 amended by this Act continue to be covered by the applicable
24 disability plan without those amendments.

26 **Sec. 21. Study and report.** The Maine State Retirement System
27 shall study and analyze the experience of the plans covered by
28 this Act. The retirement system shall submit by February 1, 1994
29 a report to the Governor, the Joint Standing Committee on Aging,
30 Retirement and Veterans, the members of the Legislative Council
31 and the Executive Director of the Legislative Council. The
32 report must compare actual experience under the plans with
33 actuarial assumptions regarding elections and costs of benefits
34 under the new options elected. The report must also identify
35 possible options for compliance with the federal Older Workers
36 Benefit Protection Act that protect benefits for employees
37 without additional cost to the State and participating local
38 districts.

40 **Emergency clause.** In view of the emergency cited in the
41 preamble, this Act takes effect when approved.
42

44 FISCAL NOTE

46 Extending disability retirement benefits beyond the normal
47 retirement age, while reducing the benefit level from 66 2/3% to
48 59% of average final compensation will result in costs that
49 approximate current expenditures for disability retirement for
50 both state employees and teachers and for participating local

2 districts, including municipalities. There may be some initial
retirement costs due to an adverse selection process, the exact
4 amount of which can not be estimated at this time.

6 This bill will avoid potential future annual retirement
liabilities to the State of \$2.2 million for state employees and
8 teachers and to participating local districts of \$1 million that
may result when the Older Workers Benefit Protection Act, passed
10 by the United States Congress, takes effect in October 1992.

12 The costs associated with the study and analysis of the
experience of the proposed disability plan can be absorbed within
14 existing resources of the Maine State Retirement System.

16 STATEMENT OF FACT

18 This bill is driven by the requirements of the federal Older
Workers Benefit Protection Act, passed in 1990 and effective for
20 public employers on October 16, 1992. The federal Older Workers
Benefit Protection Act requires that public retirement plans,
22 including the disability provisions of such plans, be
nondiscriminatory as to age. In response to the passage of the
24 federal Older Workers Benefit Protection Act, the Commission to
Study a Long-term Disability Program for the Maine State
26 Retirement System Members was established by the Maine
Legislature and was directed to develop an alternative disability
28 program as provided by the transitional language in the federal
Older Workers Benefits Protection Act that approximates the
30 overall cost of the present Maine State Retirement System
disability programs prior to revision. As directed by Resolve
32 1991, chapter 48, the commission was made up of representatives
of labor and management groups whose constituent members are
34 retirement system members and chaired by a gubernatorial
appointee representing neither labor nor management.

36
38 The changes required by the federal Older Workers Benefit
Protection Act do not apply to persons currently receiving
40 disability benefits.

42 This bill contains the modified recommendations of the
minority report of the commission. In brief, the commission
44 minority report recommended to the Legislature the adoption of
statutory amendments that would remove discriminatory provisions
46 of the retirement system disability plans currently in force for
judges, Legislators, state employees, teachers and employees of
48 participating local districts; decrease disability benefits from
66 2/3% to 59% of average final compensation; offset the
50 resulting increase in disability costs to the State and
participating local districts caused by the increase in the

2 number of persons eligible to apply for disability and by the
3 increased incidence of disability resulting from the fact that
4 the newly eligible members are older and therefore more likely to
5 incur disability; and give to each member employed on the
6 effective date of the bill the option to elect to be covered
7 under the disability plan applicable to the member as amended by
8 this bill or, by not so electing, to remain covered under that
9 plan without the amendments. The bill that embodies the minority
10 report's recommendations meets the requirements of the federal
11 Older Workers Benefit Protection Act and the directive of the
12 Legislature that the amended disability program approximate the
13 overall cost of the present Maine State Retirement System
14 disability programs. The minority recommendations have been
15 modified by terminating the changes in benefit level on July 1,
16 1994 and requiring the retirement system to study experience
17 under the changes compared with actuarial assumptions and report
18 to the Governor and Legislature if any other options are
19 available.

20 This bill contains the following specific provisions.

22 It amends the eligibility provisions of the current judicial
23 disability law by removing age-eligibility limitations.

24 It reduces disability benefits under the judicial retirement
25 laws from 66 2/3% to 59% of average final compensation.

28 It amends the disability benefits cessation provision of the
29 judicial retirement laws by eliminating the age-related change to
30 service retirement, so that change to service retirement occurs
31 only when service retirement benefits equal or exceed disability
32 benefits.

34 It amends the eligibility provisions of the disability law
35 currently applicable to Legislators by removing the eligibility
36 limitation that prevents members at or beyond normal retirement
37 age from applying for disability.

38 It reduces disability benefits under the plan currently
39 applicable to Legislators from 66 2/3% to 59% of average final
40 compensation.

42 It amends the disability benefits cessation provision of the
43 disability law currently applicable to Legislators by eliminating
44 the change to service retirement on the 10th anniversary of
45 normal retirement age, so that the change to service retirement
46 occurs only when service retirement benefits equal or exceed
47 disability benefits.

2 It amends the eligibility provisions of the current
3 disability law contained in the Maine Revised Statutes, Title 5,
4 chapter 425, subchapter V, article 3-A for state employees and
5 teachers and for employees of those participating local districts
6 covered by article 3-A by removing the eligibility limitation
7 that prevents members at or beyond normal retirement age from
8 applying for disability. It also does the same in the
9 participating local district provisions of the retirement system
10 laws for both articles 3 and 3-A disability plans.

11 It reduces article 3-A disability benefits from 66 2/3% to
12 59% of average final compensation for persons who become
13 retirement system members after October 16, 1992, and current
14 members who elect to be covered under the applicable disability
15 plan as amended by the bill and who become disabled thereafter.
16 It also does the same in the participating local district
17 provisions of the retirement system laws in both articles 3 and
18 3-A.

19 It amends the disability benefits cessation provision by
20 eliminating the change to service retirement on the 10th
21 anniversary of normal retirement age, so that change to service
22 retirement occurs only when service retirement benefits equal or
23 exceed disability benefits. It also does the same in the
24 participating local district provisions of the retirement system
25 laws in both articles 3 and 3-A.

26 It provides for individual election by persons who are
27 retirement system members on October 16, 1992 to be covered under
28 the applicable disability plan as amended by this bill. Members
29 who do not so elect remain covered by the applicable disability
30 plan without the amendments.

31 It provides that the amendments made by this bill apply to
32 participating local districts without adoption because the effect
33 of the amendments will be cost-neutral.

34 It also provides for changes required by the federal Older
35 Workers Benefit Protection Act to formerly available disability
36 plans still in force for many participating local districts.

37 The bill terminates the reduction in level of benefits on
38 July 1, 1994 and requires the Maine State Retirement System to
39 study actuarial experience under the changes compared to
40 actuarial assumptions and report any alternative options to the
41 Governor and the Legislature.
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