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Legislative Document

No. 622

S.P. 186

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In Senate, February 23, 1993

An Act to Repeal the Laws Allowing Legislators to Participate in the Maine Legislative Retirement System and to Receive State Employee Benefits.

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

JOY J. O'BRIEN Secretary of the Senate

Presented by Senator HARRIMAN of Cumberland. Cosponsored by Representatives: GREENLAW of Standish, PENDEXTER of Scarborough.

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

Sec. 1. 3 MRSA §755, sub-§1, as enacted by PL 1985, c. 507, §1, is amended to read:

1. Findings. The Legislature finds that the State owes a great debt to its retired Legislators for their years of faithful and productive service. Part of that debt is repaid by the benefits provided to Legislators through the Maine Legislative Retirement System. The Legislature further finds that significant savings are realized by eliminating the State's payments for these benefits for service after November 30, 1993.

Sec. 2. 3 MRSA §801, sub-§1, as amended by PL 1989, c. 133, §7, is further amended to read: 3

Membership mandatory. Every Legislator serving in the 1. 18 Legislature on or after December 3, 1986, -- shall--be and before December 1, 1993 is a member of the Maine Legislative Retirement 20 System, except that any Legislator who is a member of the Maine State Retirement System on December 2, 1986, may continue to be a 22 member of that system instead of becoming a member of the Maine Legislative Retirement System, and any Legislator who is a public 24 school teacher or an employee of the Vocational-Technical Institute Maine Technical College System on leave of absence shall--continues to be a member of the Maine State 26 Retirement System and have contributions deducted from the 28 member's legislative salary as provided by Title 5, section A Legislator who is the recipient of a retirement 17701. 30 allowance from the Maine State Retirement System shall--become becomes a member of the Maine Legislative Retirement System, but ne creditable service granted under the Maine State Retirement 32 System shall may not be transferred to the Maine Legislative Retirement System. A member shall-cease ceases to be a member 34 when the member withdraws the member's contributions, becomes a beneficiary as a result of the member's own retirement or dies. 36

Sec. 3. 3 MRSA §802, sub-§1, as enacted by PL 1985, c. 507, §1, is amended to read:

Legislative service after December 2, 1986 and before
 December 1, 1993. All legislative service of a member after
 December 2, 1986, and before December 1, 1993 for which
 contributions are made, shall-be is allowed as creditable service.

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Sec. 4. 3 MRSA \$804, as enacted by PL 1985, c. 507, \$1, is amended to read:

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§804. Members' contributions

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Each member shall contribute at a rate of 4% of earnable compensation <u>until December 1, 1993</u>.

Sec. 5. 3 MRSA §853, as amended by PL 1989, c. 133, §9, is further amended to read:

§853. Disability retirement

Any member who becomes disabled <u>before December 1, 1993</u> 12 while in service may receive a disability retirement allowance on the same basis as provided for members of the Maine State 14 Retirement System by Title 5, chapter 423, subchapter V, article 3.

Sec. 6. 3 MRSA §855, as amended by PL 1989, c. 133, §10, is further amended to read:

20 §855. Ordinary death benefits

If a member who is in service <u>dies prior to December 1, 1993</u> or a former member who is a recipient of a disability retirement allowance <u>as of December 1, 1993</u> dies <u>at any time</u>, the member's beneficiary, or relative if <u>there is</u> no designated beneficiary, shall-be <u>is</u> entitled to benefits on the same basis as provided for beneficiaries of state employees who are members of the Maine State Retirement System by Title 5, chapter 423, subchapter V, article 4.

If a member dies on or after December 1, 1993, the member's beneficiary, or relative if there is no designated beneficiary, is entitled to benefits on the same basis as provided for beneficiaries of state employees who are members of the Maine State Retirement System by Title 5, section 17953, subsection 1.

Sec. 7. 3 MRSA §856, as amended by PL 1989, c. 133, §11, is further amended to read:

40 §856. Accidental death benefits

If a member <u>dies prior to December 1, 1993</u> or a former member who is receiving a disability retirement allowance <u>as of</u>
<u>December 1, 1993</u> dies as <u>at any time and the death is</u> a result of an injury received in the line of duty, benefits shall <u>must</u> be
paid on the same basis as provided for members of the Maine State Retirement System by Title 5, chapter 423, subchapter V, article
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If a member dies on or after December 1, 1993 and the death is a result of an injury received in the line of duty, benefits 2 must be paid on the same basis as provided for beneficiaries of 4 state employees who are members of the Maine State Retirement System by Title 5, section 17953, subsection 1. б Sec. 8. 3 MRSA §858, as amended by PL 1989, c. 133, §13, is further amended to read: 8 10 §858. Cost-of-living and other adjustments 12 Retirement allowances under this chapter shall may not be adjusted-on-the-same-basis-as-provided-for-members-of-the-Maine 14 State-Retirement-System-by-Title-57-section-17806 increased or decreased due to cost-of-living adjustments after November 30, 16 <u>1993</u>. Sec. 9. 3 MRSA §859, as enacted by PL 1989, c. 133, §14, is 18 amended to read: 20 §859. Remarriage after retirement 22 If a retiree who is the recipient of a reduced service 24 retirement allowance as of December 1, 1993 under section 857 remarries after the retiree's spouse dies, the retiree may elect 26 to have the reduced retirement benefit paid under the same option to the new spouse after the retiree's death instead of continuing 28 the original reduced retirement allowance to the retiree during the retiree's lifetime, under the same basis as provided for 30 members of the Maine State Retirement System by Title 5, section 17805. 32 Sec. 10. 5 MRSA §285, sub-§7, as amended by PL 1989, c. 776, 34 §1, is further amended to read: 36 Payment by State. Except as otherwise provided in this 7. subsection, the State, through the commission, shall pay 100% of only the employee's share of this health plan, except for 38 Legislators, for whom the State shall may not pay 50% any portion of the health plan premium for dependent--coverage either the 40 Legislators or their dependents. For any person appointed to a position after November 1, 1981, who is employed less than full 42 time, the State shall pay a share of the employee's share reduced pro rata to reflect the reduced number of work hours. 44

46 Sec. 11. 5 MRSA §285, sub-§8, as corrected by RR 1991, c. 2, §7, is amended to read:

8. Payment by Maine State Retirement System for persons
 50 first employed before July 1, 1991. For persons who were first

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employed before July 1, 1991, the Maine State Retirement System
shall pay 100% of only the retiree's share of the premiums for this health plan for persons who were previously eligible for
this health plan pursuant to subsection 1, paragraph A and who have subsequently become eligible pursuant to subsection 1,
paragraph G. The Maine State Retirement System may not pay any portion of a retired Legislator's share of the premium for this
health plan unless that Legislator retires and is eligible for this health plan under subsection 1-A prior to December 1, 1993.

Sec. 12. 5 MRSA §285, sub-§8-A, as enacted by PL 1991, c. 527, 12 §2, is amended to read:

 $\mathbf{14}$ 8-A. Payment by Maine State Retirement System for persons employed after July 1, 1991. For persons who were first employed by the State after July 1, 1991, the Maine State Retirement 16System shall pay a pro rata portion of only the retiree's share 18 of the premiums, as described in this section, for this health plan for persons who were previously eligible for this health 20 plan pursuant to subsection 1, paragraph A and who have subsequently become eligible pursuant to subsection 1, paragraph 22 G based on the total number of years of participation in the group health plan prior to retirement as follows. 24

State Portion

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Years of Participation

	10 or more years	100% group health plan premium
28	9 but less than 10 years	90% group health plan premium
	8 but less than 9 years	80% group health plan premium
30	7 but less than 8 years	70% group health plan premium
	6 but less than 7 years	60% group health plan premium
32	5 but less than 6 years	50% group health plan premium
	Less than 5 years	No contribution
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Participation in this health plan by a Legislator after November 30, 1993 may not be counted for the purposes of this subsection.

STATEMENT OF FACT

This bill prohibits the State from contributing to benefits for Legislators on or after December 1, 1993. Legislators may still participate in the Maine State Retirement System health plan by paying the full premium. This bill requires the State to pay a portion of the premium for an otherwise eligible retiree from the Legislature as long as that Legislator retires before December 1, 1993 or is eligible for the payment due to other state service.

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This bill retains all of the provisions of the Maine Legislative Retirement System except that creditable service may 2 not be earned for service after November 30, 1993. This allows current and future legislative retirees to receive a retirement 4 allowance based on any creditable service up to December 1, 1993. Death benefits after November 30, 1993 are limited to the 6 Legislator's accumulated contributions. Death benefits are 8 unchanged for a former Legislator receiving a disability retirement allowance as of December 1, 1993. A cost-of-living adjustment may not be made to any legislative retirement 10 allowance after November 30, 1993.

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