

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

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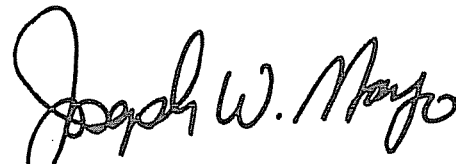
H.P. 755

House of Representatives, March 25, 1993

**An Act to Amend the Maine State Retirement System Laws Related to
the Participating Local Districts Consolidated Plan.**

(EMERGENCY)

Submitted by the Maine State Retirement System pursuant to Joint Rule 24.
Reference to the Committee on Aging, Retirement and Veterans suggested and ordered
printed.


JOSEPH W. MAYO, Clerk

Presented by Representative JALBERT of Lisbon.

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 Participating Local District Advisory Committee
established by the Maine Revised Statutes, Title 5, section 18802
is charged with the responsibility of developing a consolidated
8 retirement plan for participating local districts in the Maine
State Retirement System; and

10
12 Whereas, the committee has prepared its proposals for the
consolidated plan and has determined that it is in the best
interest of both participating local districts and their
14 employees to provide that all participating local districts be a
part of the consolidated plan; and

16
18 Whereas, the committee has determined that amendments to the
laws related to the participating local districts consolidated
plan are necessary so that the committee may complete the
20 development of the plan and the plan may be initiated on July 1,
1993; and

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24 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
26 necessary for the preservation of the public peace, health and
safety; now, therefore,

28
30 **Be it enacted by the People of the State of Maine as follows:**

32 **Sec. 1. 5 MRSA §17001, sub-§32, ¶B,** as enacted by PL 1985, c.
801, §§5 and 7, is repealed and the following enacted in its
place:

34 B. For a retired participating local district employee:

36 (1) Except as provided in subparagraph (2),
38 "restoration to service" means acceptance of employment
40 with the participating local district from which the
 employee retired; and

42 (2) After the date on which a participating local
44 districts consolidated plan under chapter 427 goes into
46 operation, "restoration to service" means acceptance of
48 employment with any district that participates in the
 consolidated plan. This subparagraph applies to
 employees who retire before a consolidated plan goes
 into operation as well as to those who retire after a
 consolidated plan has gone into operation.

2 **Sec. 2. 5 MRSA §18801, first ¶**, as enacted by PL 1989, c. 811,
3, is amended to read:

4
5 The board shall establish by rule a consolidated retirement
6 plan for participating local districts and other local districts
7 that contract with the retirement system in accordance with
8 section 18804 on the date the consolidated plan is put into
9 operation and at any time after that date.

10
11 **Sec. 3. 5 MRSA §18801, sub-§4**, as enacted by PL 1989, c. 811,
12 §3, is amended to read:

13 **4. Implementation of plan.** The board, as part of its
14 rules, shall set the minimum number of local districts that must
15 contract for participation and the minimum number of members
16 before the plan is put into operation. The rules must contain
17 provisions ~~relating~~ related to the transition from participation
18 in chapter 425 to participation in this plan by local districts
19 and for setting the date when participation of the employees of a
20 participating local district in this plan begins. All local
21 districts that are participating local districts under chapter
22 425 on the date the plan is put into operation must elect to join
23 the consolidated plan, be transferred to the consolidated plan or
24 withdraw from the system, in accordance with rules established by
25 the board.

26
27 **Sec. 4. 5 MRSA §18802, sub-§7**, as enacted by PL 1989, c. 811,
28 §3, is amended to read:

29 **7. Repeal.** This section is repealed effective June 30,
30 1993 1996.

31 **Sec. 5. 5 MRSA §18804, first ¶**, as enacted by PL 1989, c. 811,
32 §3, is amended to read:

33 A All local districts that are participating local districts
34 under chapter 425 on the date the plan is put into operation may
35 contract for participation in the plan in the manner provided in
36 subsection 1 or 2 for other local districts. A participating
37 local district that elects to be transferred into the
38 consolidated plan must contract for participation according to
39 the terms of its transfer, in accordance with rules established
40 by the board. Other local districts may contract for the
41 participation of its ~~its~~ their employees in the retirement system
42 under this chapter in the manner provided by subsection 1 or 2.

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

STATEMENT OF FACT

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The purpose of this bill is to enact into law a proposal that was unanimously adopted by the Participating Local District Advisory Committee. This bill amends the laws related to the participating local districts consolidated retirement plan to add a provision that all current participating local districts must elect to join, be transferred to the consolidated plan or withdraw from the system. Presently, the law does not authorize such a provision in the rules. The bill also extends the date of the section that repeals the Participating Local District Advisory Committee from June 30, 1993 to June 30, 1996, and makes a definitional change necessary to implement the purpose of the consolidated plan.