

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

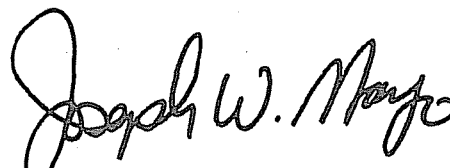
No. 1058

H.P. 785

House of Representatives, March 29, 1993

**An Act to Clarify Mandatory Coverage Requirements for Participating
Local Districts within the Maine State Retirement System.**

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


JOSEPH W. MAYO, Clerk

Presented by Representative SAXL of Bangor.
Cosponsored by Senator BALDACCI of Penobscot and
Representatives: CATHCART of Orono, FAIRCLOTH of Bangor, GOULD of Greenville,
HATCH of Skowhegan, KNEELAND of Easton, SULLIVAN of Bangor, Senator:
CLEVELAND of Androscoggin.

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

2
4 **Sec. 1. 5 MRSA §18201, sub-§3**, as amended by PL 1991, c. 619, §11, is further amended to read:

6 **3. Exempt employees.** The local district shall designate in
8 its approval any class of employees that the district determines
10 to be exempt from this Part, except that a class of regular
12 full-time employees may not be exempted by the local district
14 unless the employees concerned are subject to regular
16 withholdings under the federal Social Security Act or are
18 otherwise provided for by mandatory local pension provisions.
20 These local pension provisions may include a plan that provides
for direct contribution by the local district or mandatory
contribution by the employees concerned to a pension plan,
membership in which would otherwise be voluntary on the part of
the employees. Subject to the limitations in this subsection,
the local district may amend its plan at any time after the date
of adoption to expand or reduce the class of employees exempt
from participation under this Part.

22 **Sec. 2. 5 MRSA §18203, sub-§1**, as enacted by PL 1985, c. 801,
24 §§5 and 7, is amended to read:

26 **1. Procedure.** Withdrawal from participation is
28 accomplished by filing with the board a duly certified copy of
30 the vote of the body ~~which would be~~ that is entitled to approve
32 participation under section 18201. The certified vote must state
34 whether the withdrawal is effective for the entire plan or if the
36 district is withdrawing certain classes, groups or categories of
employees. If there is a partial withdrawal, the vote must
clearly identify the classes, groups or categories of employees
to be withdrawn from the plan. The certified vote must also
clearly state the effective date of the full or partial
withdrawal, which may be no later than 6 months after the date of
the vote approving the withdrawal.

38 **Sec. 3. 5 MRSA §18251, sub-§1**, as amended by PL 1991, c. 619,
40 §12 and affected by §18, is further amended to read:

42 **1. Compulsory membership.** Membership is compulsory for all
44 regular full-time employees entering the service of a
46 participating local district after the date of establishment for
the participating local district, except as otherwise provided by
subsection 2 or 3; section 18201, subsection 3; section 18252; or
section 18256.

48 **Sec. 4. 5 MRSA §18251, sub-§3** is enacted to read:

50 **3. Part-time, seasonal and temporary employees.** The
participating local district, by certified vote, shall determine

2 whether part-time, seasonal and temporary employees, as defined
4 under the federal Social Security Act, as amended, may
6 participate in the local district or are exempted. The vote of
8 the local district is for the entire class of employment for each
10 category defined and may not provide partial exemptions within a
12 particular class. Part-time, seasonal and temporary employees
14 exempted under this subsection who are later employed in a
16 nonexempt position by the local district and who are eligible for
18 membership in the local participating district may not be given
20 creditable time for employment in an exempted position.

22 **Sec. 5. 5 MRSA §18252, first ¶, as enacted by PL 1985, c. 801,**
24 **§§5 and 7, is amended to read:**

26 An employee who is or would be covered by the United-States
28 federal Social Security Act as a result of his employment by a
30 participating local district may elect to join, not to join or to
32 withdraw from the retirement system under the following
34 conditions. An employee is considered eligible for coverage
36 under the federal Social Security Act if the local district has a
38 written agreement with the federal Social Security Administration
40 extending coverage or if the employees of the local participating
42 district are required to have coverage under the federal Social
Security Act or other federal retirement statute or plan.

STATEMENT OF FACT

This bill makes changes to the laws governing mandatory coverage requirements for participating local districts within the Maine State Retirement System. The bill provides that no class of regular full-time employees may be exempted by the local district from participation in the retirement plan unless those employees are subject to regular withholdings under provisions of the federal Social Security Act or are provided for by mandatory local pension provisions.

The bill also requires that participating local districts determine whether part-time, seasonal and temporary employees will participate in the local district or be exempted.