



116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 1100

H.P. 814

House of Representatives, April 1, 1993

An Act to Change the Base Period for Calculation of Maine State Retirement System Benefits.

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

JOSEPH W. MAYO, Clerk

Presented by Representative VIGUE of Winslow. Cosponsored by Senator CAREY of Kennebec and Representatives: AHEARNE of Madawaska, DUTREMBLE of Biddeford, JALBERT of Lisbon, JOY of Island Falls, TUFTS of Stockton Springs, Senator: LUTHER of Oxford.

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

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Sec. 1. 5 MRSA §17001, sub-§4, as amended by PL 1991, c. 780, Pt. FF, §1, is further amended to read:

4. Average final compensation. "Average final compensation" means:

The average annual rate of earnable compensation of a Α. member during the 3 10 years of creditable service as an employee in Maine, not necessarily consecutive, in which the member's annual rate of earnable compensation is highest. However, if a member is subject to a temporary layoff as a result of a Governor's Executive Order, loss of pay pursuant to the agreements of February 15, 1991 and October 23, 1991 between the Executive Department and the American Federation of State, County and Municipal Employees, Council 93, days off without pay as authorized by legislative action or days off without pay resulting from any executive order declaring or continuing a state of emergency relating to the lack of an enacted budget document for fiscal years ending June 30, 1992 and June 30, 1993, or, if a member is subject to days off without pay, not to exceed 10 days in each fiscal year ending June 30, 1992 and June 30, 1993, as a result of actions taken by local school administrative units to offset school subsidy reductions or, notwithstanding section 18202, as a result of actions of a participating local district to offset reductions in municipal revenue sharing or a combination thereof, for the fiscal years ending June 30, 1992 and June 30, 1993, the 3-year 10-year average final compensation must be determined as if the member had not been temporarily laid off, reduced in pay or provided days off without pay; or

B. The average annualized rate of earnable compensation of a member during his <u>the member's</u> entire period of creditable service if that period is less than 3 <u>10</u> years.

STATEMENT OF FACT

This bill changes the base for calculation of Maine State Retirement System benefits by amending the definition of "average final compensation" to calculate the average of compensation for the 10 highest years of creditable service or the entire period for members with fewer than 10 years of creditable service. Currently, the calculation averages only the 3 years in which the annual rate of compensation is highest.