

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

DATE: 3/23/94

(Filing No. H-891)

M A J O R I T Y
AGING, RETIREMENT & VETERANS

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE
HOUSE OF REPRESENTATIVES
116TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1363, L.D. 1842, Bill, "An Act Relating to Retirement Benefits for the State Police"

Amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

Sec. 1. 5 MRSA §17852, sub-§4, ¶C-2 is enacted to read:

C-2. A person qualifying under section 17851, subsection 4, paragraph B, may elect to retire before reaching the age of 55 without reduction for retirement before that age if, prior to the effective date of the person's retirement, the person has paid to the retirement system by an increased employee contribution, by single or periodic payment of a lump sum or by a combination thereof, the amount that equals the full actuarial cost of that person's preage 55 retirement, plus any applicable interest. "Full actuarial cost" means that the person's payment or payments must fully offset any unfunded liability that would or does result from retirement prior to age 55 and must fully fund the cost of the person's retirement prior to age 55 so that an additional employer contribution is not required. If the person makes the election provided by this paragraph at any time after the date on which the person is first employed as a state police officer, the payment must include interest at a rate to be set by the board not to exceed regular interest by 5 or more percentage points, applied as of the date upon which the person was first employed as a State Police officer to the contributions that the person would have paid or had picked up by the employer had the person elected this option at the date of first employment.

COMMITTEE AMENDMENT

2 This paragraph takes effect July 1, 1995. Election to
4 retire under this paragraph is a one-time irrevocable
6 election. A person first hired as a State Police officer
8 after July 1, 1995 must make the election no later than 30
days after the date of first employment. A person already
employed as a State Police officer on July 1, 1995 must make
the election no later than 90 days after July 1, 1995.

10 **Sec. 2. Methodology for calculation.** Prior to July 1, 1995, the
12 Maine State Retirement System must prepare a methodology for
14 calculating the full actuarial cost and interest to be applied
16 when a person elects to retire under the Maine Revised Statutes,
18 Title 5, section 17852, subsection 4, paragraph C-2. The
20 retirement system must also establish the procedure for election
22 under that paragraph. In establishing the methodology and
24 procedure, the retirement system shall inform the Maine State
Troopers Association and the Department of Public Safety. Any
actuarial services necessary to the development of the
methodology and procedure must be obtained by the retirement
system from its actuary and the cost of these services must be
paid by the Maine State Troopers Association.'

24 Further amend the bill by inserting at the end before the
statement of fact the following:

26 **FISCAL NOTE**

28
30 Allowing certain State Police officers to opt for an
32 unreduced retirement benefit, if the officer pays the full amount
of the additional actuarial cost of the unreduced retirement
benefit, will not increase the unfunded liability of the Maine
State Retirement System and will not result in increased employer
retirement contributions.

36 The Maine State Retirement System will incur some minor
38 additional administrative costs to establish a procedure related
to the benefit option. These costs can be absorbed within the
system's existing budget resources. The costs for actuarial
40 services necessary to develop these procedures will be paid for
by the Maine State Troopers Association.'

STATEMENT OF FACT

2
4 This amendment replaces the original bill with a provision
6 that allows State Police officers to elect to receive an
8 unreduced retirement benefit before the age of 55 after 25 years
10 of service if the officer pays the full actuarial cost of the
12 benefit. The provision becomes effective July 1, 1995. State
14 Police officers hired after that date must make their decision
16 within 30 days of hire. Persons already employed as State Police
officers on July 1, 1995 must decide within 90 days of that
date. The decision is irrevocable. The Maine State Troopers
Association is required to pay for the actuarial services needed
by the Maine State Retirement System to develop a method for
calculating the actuarial cost and interest to be applied when a
State Police officer makes the election. The amendment also adds
a fiscal note to the bill.