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)



46

48

50

2	L.D. 1842
	DATE: 3/23/94 (Filing No. H-891)
4	MAJORITY
6	AGING, RETIREMENT & VETERANS
8	
10	Reproduced and distributed under the direction of the Clerk of
12	the House.
14	STATE OF MAINE HOUSE OF REPRESENTATIVES 116TH LEGISLATURE
16	SECOND REGULAR SESSION
18	COMMITTEE AMENDMENT "#" to H.P. 1363, L.D. 1842, Bill, "An
20	Act Relating to Retirement Benefits for the State Police"
22	Amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its
24	place the following:
26	'Sec. 1. 5 MRSA §17852, sub-§4, ¶C-2 is enacted to read:
28	C-2. A person qualifying under section 17851, subsection 4, paragraph B, may elect to retire before reaching the age of
30	55 without reduction for retirement before that age if, prior to the effective date of the person's retirement, the
32	person has paid to the retirement system by an increased employee contribution, by single or periodic payment of a
34	lump sum or by a combination thereof, the amount that equals the full actuarial cost of that person's preage 55
36	retirement, plus any applicable interest. "Full actuarial
38	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
40	the person's retirement prior to age 55 so that an additional employer contribution is not required. If the
42	person makes the election provided by this paragraph at any time after the date on which the person is first employed as
44	a state police officer, the payment must include interest at

Page 1-LR3112(2)

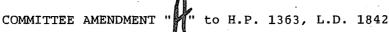
option at the date of first employment.

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

COMMITTEE AMENDMENT





This paragraph takes effect July 1, 1995. Election to retire under this paragraph is a one-time irrevocable election. A person first hired as a State Police officer 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.

Sec. 2. Methodology for calculation. Prior to July 1, 1995, the Maine State Retirement System must prepare a methodology for calculating the full actuarial cost and interest to be applied when a person elects to retire under the Maine Revised Statutes, Title 5, section 17852, subsection 4, paragraph C-2. retirement system must also establish the procedure for election In establishing the methodology under that paragraph. procedure, the retirement system shall inform the Maine State Troopers Association and the Department of Public Safety. actuarial services necessary to the development of 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.'

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

26

2

8

10

12

14

16

18

20

22

24

'FISCAL NOTE

28

30

32

34

36

38

40

Allowing certain State Police officers to opt for an 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.

The Maine State Retirement System will incur some minor 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 services necessary to develop these procedures will be paid for by the Maine State Troopers Association.'

42



10

12

14

16

COMMITTEE AMENDMENT " to H.P. 1363, L.D. 1842

STATEMENT OF FACT

This amendment replaces the original bill with a provision that allows State Police officers to elect to receive an unreduced retirement benefit before the age of 55 after 25 years of service if the officer pays the full actuarial cost of the benefit. The provision becomes effective July 1, 1995. State Police officers hired after that date must make their decision 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.

Page 3-LR3112(2)