

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 421

S.P. 159

In Senate, February 6, 1995

An Act to Require the Maine State Retirement System to Annually Report to Its Members and to Investigate the Issue of Privatization.

Reference to the Committee on Labor suggested and ordered printed.

A handwritten signature in cursive script that reads "May M. Ross".

MAY M. ROSS
Secretary of the Senate

Presented by Senator AMERO of Cumberland.
Cosponsored by Senators: ABROMSON of Cumberland, CARPENTER of York,
HARRIMAN of Cumberland, SMALL of Sagadahoc, Representative: BIRNEY of Paris.

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

4 **Sec. 1. 5 MRSA §17206**, as enacted by PL 1985, c. 801, §§5 and §7, is amended to read:

6 **§17206. Statement of account**

8 The executive director shall annually furnish to each member
10 of the retirement system, ~~upon request~~, a statement showing the
12 amount of accumulated contributions to the member's credit in ~~his~~
14 the member's individual account in the Members' Contribution
Fund. The statement must show the amount contributed over the
past year and the interest earned during that period.

16 **Sec. 2. 5 MRSA §17804, first ¶**, as amended by PL 1989, c. 95,
§9, is further amended to read:

18 Except as provided in subsection 6, payment the effective
20 date of a service retirement benefit ~~shall begin~~ must be on the
22 first day of the month following the month in which the
24 qualifying member becomes eligible to receive payment of the
member's service retirement benefit under section 17851 or
17907. Payment of the first retirement allowance check must be
26 made in accordance with the standards developed under section
28 17804-A. A full month's benefit ~~shall~~ must be paid to the
beneficiary or estate of the recipient for the month in which the
member dies. A qualifying member may select payment in one of
the following methods.

30 **Sec. 3. 5 MRSA §17804-A** is enacted to read:

32 **§17804-A. Timing of payment**

34 The board shall establish rules governing the time at which
36 a member's first retirement allowance check must be issued. The
38 rules must specify the respective responsibilities of the
40 employer, the member and the system for providing information and
42 must include a timetable for the submission or processing of that
data. The rules must require that if the employer and the member
submit the necessary information to the system according to the
timetable, the first check will be issued on the last day of the
month following the month in which the member retires.

44 **Sec. 4. Privatization study.** The Board of Trustees of the Maine
46 State Retirement System shall study the feasibility of
48 contracting out the administration of the Maine State Retirement
System and shall report its findings to the joint standing
50 committee of the Legislature having jurisdiction over retirement
52 matters by January 1, 1996. The study shall consider the
advantages and disadvantages of using a private firm to
administer the retirement, disability and life insurance benefits.

STATEMENT OF FACT

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This bill requires that the Maine State Retirement System issue annual statements to each member showing the amount of contributions in that member's account and interest earned. The bill also requires the retirement system to develop standards governing the time at which the first retirement check is issued. The bill also requires the board of trustees to study the feasibility of privatizing the operations of the retirement system.