

# MAINE STATE LEGISLATURE

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# 117th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1995

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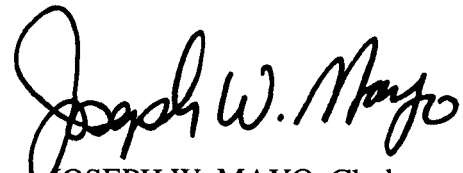
House of Representatives, February 9, 1995

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**An Act to Abolish the Legislative Retirement System.**

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Received by the Clerk of the House on February 7, 1995. Referred to the Committee on Labor and ordered printed pursuant to Joint Rule 14.

  
JOSEPH W. MAYO, Clerk

Presented by Representative UNDERWOOD of Oxford.  
Cosponsored by Representatives: AIKMAN of Poland, BIRNEY of Paris, BUCK of Yarmouth, DUNN of Gray, HARTNETT of Freeport, JONES of Pittsfield, JOY of Crystal, LANE of Enfield, LUMBRA of Bangor, POIRIER of Saco, STEDMAN of Hartland, WINSOR of Norway, Senator: HANLEY of Oxford.

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

4 **Sec. 1. 3 MRSA §702**, as enacted by PL 1985, c. 507, §1, is amended to read:

6 **§702. Name; purpose**

8 There is established the Maine Legislative Retirement System, which ~~shall--have~~ has the powers and privileges of a corporation.

12 The purpose of the Maine Legislative Retirement System is to provide retirement allowances and other benefits under this chapter for Legislators based primarily on legislative service prior to October 1, 1995.

16 **Sec. 2. 3 MRSA §755, sub-§1**, as enacted by PL 1985, c. 507, §1, is amended to read:

20 **1. Findings.** The Legislature finds that the State owes a great debt to its retired Legislators for their years of faithful and productive service. Part of that debt is repaid by the benefits provided to Legislators through the Maine Legislative Retirement System. The Legislature further finds that continued accrual of benefits after September 30, 1995 is an unnecessary expense and is inconsistent with legislative term limits and the concept of a citizen Legislature. Accrual of benefits after September 30, 1995 is appropriate only for Legislators who have 10 years of creditable service on September 30, 1995.

30 **Sec. 3. 3 MRSA §801, sub-§1**, as amended by PL 1989, c. 133, §7, is further amended to read:

34 **1. Membership mandatory.** Every Legislator serving in the Legislature on or after December 3, 1986, ~~shall--be~~ is a member of the Maine Legislative Retirement System, except that any Legislator who is a member of the Maine State Retirement System on December 2, 1986, may continue to be a member of that system instead of becoming a member of the Maine Legislative Retirement System, and any Legislator who is a public school teacher or an employee of the ~~Vocational--Technical--Institute~~ Maine Technical College System on leave of absence ~~shall--continue~~ continues to be a member of the Maine State Retirement System and have contributions deducted from the member's legislative salary as provided by Title 5, section 17701. A Legislator who is the recipient of a retirement allowance from the Maine State Retirement System ~~shall--become~~ becomes a member of the Maine Legislative Retirement System, but ~~no~~ creditable service granted under the Maine State Retirement System ~~shall~~ may not be transferred to the Maine Legislative Retirement System. A member

2 shall-~~cease~~ ceases to be a member when the member withdraws the  
3 member's contributions, becomes a beneficiary as a result of the  
4 member's own retirement or dies. Notwithstanding the provisions  
5 of this subsection and any other provision of law, a Legislator  
6 may not become or remain a member of the Maine Legislative  
7 Retirement System or earn creditable service under the Maine  
8 State Retirement System while serving in the Legislature after  
9 September 30, 1995 unless that Legislator has 10 years of  
10 creditable service in the Maine Legislative Retirement System on  
11 September 30, 1995.

12 **Sec. 4. 3 MRSA §802, sub-§3,** as enacted by PL 1985, c. 507,  
13 §1, is amended to read:

14 **3. Disability retirement.** The period following the  
15 termination of service and prior to October 1, 1995 for which a  
16 beneficiary receives disability retirement allowance payments  
17 under section 853 ~~shall-be~~ is allowed as membership service. The  
18 period following the termination of service and after September  
19 30, 1995 for which a beneficiary receives disability retirement  
20 allowance payments under section 853 is allowed as membership  
21 service only if the beneficiary had 10 years of creditable  
22 service on September 30, 1995.

23 **Sec. 5. 3 MRSA §805,** as amended by PL 1993, c. 387, Pt. A,  
24 §1, is further amended to read:

25 **§805. Return of accumulated contributions**

26 **1. Refund of contributions.** Following termination of  
27 service, except by death or retirement under this chapter or  
28 after September 30, 1995 if a Legislator's membership is  
29 terminated on that date, whichever comes first, a member,~~upon~~  
30 application to the Maine Legislative Retirement System, ~~shall~~  
31 must be paid the amount of his member's accumulated contributions  
32 to the system, ~~if any~~ upon application to the Maine Legislative  
33 Retirement System.

34 **A.** If the member has less than 10 years of creditable  
35 service, interest ~~shall~~ may not be paid on the accumulated  
36 contribution for any period after the 5th anniversary of  
37 termination of service.

38 **B.** Payment For former Legislators seeking a refund of  
39 accumulated contributions following termination of service,  
40 payment must be made upon application and upon termination  
41 of service and in not less than 22 days and not more than 60  
42 days after receipt of the application and receipt of the  
43 last payroll upon which the name of the member appears,  
44 whichever occurs later.

2           C. For Legislators seeking a refund of accumulated  
4           contributions, payment must be made upon application to the  
6           Maine Legislative Retirement System and must be made no  
              later than 60 days after the receipt of the application.

8           **2. Applicability.** This section shall ~~shall~~ does not apply to  
10           contributions paid by the State. Nothing in this section  
              requires a Legislator or former Legislator to apply for a refund  
              of accumulated contributions.

12           **Sec. 6. Repeal.** The Maine Legislative Retirement System shall  
14           submit legislation to repeal the Maine Revised Statutes, Title 3,  
16           chapter 29 as soon as practicable after all beneficiaries of the  
              retirement system have died.

## 18   **STATEMENT OF FACT**

20  
22           This bill limits continued membership in the Maine  
24           Legislative Retirement System after September 30, 1995 to  
              Legislators who have 10 years of creditable service as of that  
26           date. Former Legislators who are currently receiving a retirement  
              allowance or a disability retirement allowance will not have  
              their benefits affected by this bill. Former and current  
28           Legislators who, as of September 30, 1995, are eligible to  
              receive a retirement benefit at some point in the future will not  
              have their accrued benefits affected.

30  
32           The Board of Trustees of the Maine Legislative Retirement  
34           System will continue to oversee the administration of the  
              system. Once all of the remaining beneficiaries of the system  
              have died, the system is required to submit legislation to repeal  
36           the Maine Revised Statutes, Title 3, chapter 29.